



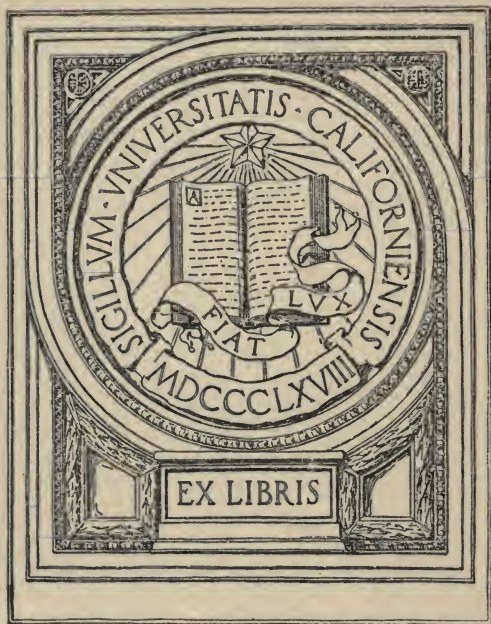
PAN AMERICAN UNION

PROCEEDINGS
OF THE
PAN
AMERICAN
COMMERCIAL
CONFERENCE
FEBRUARY 13TH - 17TH
1911

WASHINGTON D. C.

JOHN BARRETT, Director General
FRANCISCO J. YÁNES, Assistant Director





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THE NEW BUILDING OF THE PAN AMERICAN UNION.

In this beautiful structure, erected at a cost of nearly a million dollars, the sessions of the Pan American Commercial Conference were held.

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FEBRUARY 13-17, 1911



JOHN BARRETT, Director General
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WASHINGTON, D. C.

.P4
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The Pan American Union is in no way responsible for opinions expressed, statements made, or any criticisms that appear in the papers read by the delegates :: ::

As it was sometimes impossible for the Secretary of the Conference to identify the speakers during the open discussions, it has been necessary in some instances to omit names. The Editor regrets this unavoidable incompleteness. :: :: :: ::



THE PAN AMERICAN UNION

THE PAN AMERICAN UNION (formerly known as the "Bureau of American Republics") is an international organization and office maintained by the twenty-one American republics and devoted to the development and maintenance of commerce, friendly intercourse, and good understanding among them. Its affairs are administered by a Director General and an Assistant Director, elected by and responsible to a Governing Board, composed of the Secretary of State of the United States and the Diplomatic Representatives in Washington of the other American Governments. Its executive officers are assisted by a staff of international experts, statisticians, commercial specialists, editors, translators, compilers, librarians and clerks. The Union conducts a large and varied correspondence, covering every phase of Pan American relations; it publishes a Monthly Bulletin, which is a record of Pan American progress; it has an up-to-date library of twenty thousand volumes relating to all the Americas; and it is permanently housed in a building erected at a cost of nearly a million dollars and dedicated exclusively to the uses of the Pan American Union.

NOTES ON THE CONFERENCE FOR GUIDANCE OF DELEGATES

(a) The purpose of this Pan American Commercial Conference is to consider, first, the actual, practical, business conditions surrounding the exchange of commerce and development of trade between the United States and the other American countries; and, second, the non-political business opportunities and advantages which will be opened to Pan American commerce by the Panama Canal, and the steps which should now be taken by the business interests of the Americas to get ready for the Canal and enable them to gain direct benefits following its opening. The Union is an official organization and the members of its Governing Board assume no responsibility whatever as to the actions and discussions of the Conference, which is purely an informative and educational gathering, called by the Director General for the purpose given above.

(b) The principal commercial organizations, the leading manufacturing, exporting, and importing establishments in all parts of the United States, and many educational institutions, have been asked to send representatives and to participate. The Latin American Ambassadors and Ministers in Washington and their consular officers in New York and elsewhere have been invited to attend and take part in the discussions on behalf of their countries. The best commercial experts available, both official and private, have accepted invitations to discuss in detail Pan American commerce, preparation for the Panama Canal, and those practical phases of export and import business upon which information is desired.

(c) The Conference will begin its sessions at 3.15 P. M., Monday, February 13th, when addresses will be delivered by President Taft, Secretary Knox, Latin American Diplomatic Representatives, Senator Root, Speaker-elect Champ Clark, and President J. A. Farrell of the United States Steel Corporation.

In place of a long program of subjects and speakers, which seems tiresome and never-ending and allows no participation by the delegates at large, each session, beginning Tuesday morning, will be open, and led by specially designated authorities and experts, and continued by the others present. In the evening there will be illustrated lectures on Latin America by well-known travelers, which will prove interesting and instructive.

(d) The Pan American Union building is located at the corner of 17th and B streets, Northwest, at the entrance to Potomac Park, about four blocks southwest of the White House and the State, War and Navy building, and ten minutes' walk from the principal hotels. Mail for those attending, if desired, can be sent "care Pan American Union, Washington, D. C."

(e) If further information is desired, it can be obtained by asking members of the Reception Committee of the staff of the Pan American Union, who wear a distinguishing red badge, including Franklin Adams, Chief Clerk; W. C. Wells, W. P. Montgomery, Dr. Albert Hale, E. M. Amores, Julian M. Lacalle, G. R. Fortescue, C. E. Babcock, W. V. Griffin, Otto Hollender, W. J. Kolb, C. H. Baker, H. O. Sandberg, H. E. Mitchell, J. O. Kerbey, J. L. Martin.

REGULATIONS GOVERNING THE SESSIONS OF THE CONFERENCE

1. The meetings of the Conference will be held in the large room of the Pan American building, known as "The Hall of the Americas." Following the first session on Monday afternoon at 3.15, there will be an illustrated lecture on Latin America that night at 8 o'clock; and then morning, afternoon and evening sessions for Tuesday, the 14th, Wednesday, the 15th, Thursday, the 16th; and Friday, the 17th, if the program has not already been completed. There will be illustrated lectures Tuesday and Wednesday evenings.

2. Morning sessions will begin promptly at 9.30 and end at 12.30; those in the afternoon will begin at 2 and end at 5.30; those in the evening will begin at 8 and close at 10.

3. The Conference, being called upon invitation of the executive officer of the Pan American Union, will have no organization beyond that of the presiding officer designated by him.

4. Addresses will be limited to 10 minutes each to the person leading the discussion. Remarks of others amplifying the discussion will be limited to five minutes each.

5. Following each principal address, questions may be generally asked, to be answered by those ready or competent to do so.

6. It will not be permitted to introduce, discuss, or pass any resolutions affecting the attitude or policies of governments. Adverse comment also upon governments forming the Union will be out of order.

7. During the Conference the Pan American building will be open only to specially invited guests, delegates, those participating in the program of the Conference, and to others having official business.

8. All delegates or representatives are requested to register their names, their firms, and their addresses upon their first arrival at the Pan American building, at the place specially designated on the first floor.

The Notes on the conference and Regulations governing the sessions are Reproduced from the Original Program.

OFFICIALS, AUTHORITIES AND EXPERTS

Alphabetical list of officials, authorities and experts who led the discussions
of the Conference and delivered special addresses:

ADAMS, FRANKLIN, Chief Clerk and Editor of *The Bulletin* of the Pan American Union.

ADAMS, MRS. HARRIET CHALMERS, Lecturer on Latin America.

ARÍZAGA, DR. RAFAEL M., Minister of Ecuador.

ARMAS, AURELIO DE, of Havana, Cuba, Expert on Cuban trade marks.

AUSTIN, O. P., Chief of Bureau of Statistics, State Department.

BAKER, BERNARD N., of Baltimore, Md., Expert on Shipping and the Panama Canal.

BALDWIN, A. H., Chief of Bureau of Manufactures, Dept. of Commerce and Labor.

BARRANCO, CESAR A., Vice Consul of Cuba, in Washington.

BARTLETT, DUDLEY, of the Philadelphia Commercial Museum.

BENGOCHEA, DR. RAMON, Charge d'Affaires of Guatemala.

BENNEY, W. M., Secretary of the National Association of Manufacturers.

BINGHAM, PROF. HIRAM, of Yale University, Specialist on Latin America.

BORDA, FRANCISCO DE P., Minister of Colombia.

BROWNELL, ATHERTON, of the Brazilian Propaganda, Expert on Brazil.

BUNKER, W. M., of the San Francisco Chamber of Commerce, Expert on the Panama Canal.

BUTMAN, A. B., of Boston, Mass., Expert on market for boots and shoes in Latin America.

CALDERON, IGNACIO, Minister of Bolivia.

CALVO, JOAQUIN B., Minister of Costa Rica.

CARREÑO, ALBERTO M., Secretary of Mexican Special Embassy to the United States.

CASASUS, JOAQUIN D., Former Ambassador of Mexico.

CASTRILLO, DR. SALVADOR, Minister of Nicaragua.

CASTRO, DR. ALFREDO DE, Chargé d'Affaires of Uruguay.

CHANDLER, CHARLES L., U. S. Vice Consul-General, Buenos Aires, Argentina.

CLARK, CHAMP, Speaker-elect of House of Representatives.

CURRIER, REV. CHARLES WARREN, Expert on Education in Latin America.

CURT, LOUIS S., of the Chicago Association of Commerce, Expert on Latin America.

CURTIS, WILLIAM E., Correspondent and Publicist, former Director of the Pan American Union.

DANIELS, LORENZO, Lamport & Holt S. S. Line, Expert on Shipping.

DARLING, J. R., Expert on Central America and West Coast of South America.

DAVIS, MACK H., of Bureau of Trade Relations, State Department.

DAVIS, GEN. GEO. W., Former Governor of Panama.

DEEDS, EDWARD A., of the National Cash Register Company.

DICKINSON, WILLIAM M., of the Otis Elevator Co., Expert on Latin America.

DONALDSON, C. R., of the Bureau of Manufactures, Dept. of Commerce and Labor.

DOWNS, WILLIAM C., of Wessels, Kulemkampff Co., General Expert on Pan American Trade.

EDER, PHANOR J., Expert on Colombia.

ENRIGHT, F. C., of the Chicago Association of Commerce, Expert on Argentina.

FARQUHAR, A. B., General Expert on Commerce.

FARRELL, J. A., Pres. of the U. S. Steel Corporation.

FORTESCUE, CAPT. G. R., of the Pan American Union Staff.

FOWLER, JOHN F., of W. R. Grace & Co., Expert on Export and Import Trade.

FURLONG, CHARLES WELLINGTON, of Watertown, Mass., General Expert on Latin

GARCIA, REAR ADMIRAL M. DOMECQ, of the Argentine Navy.

GORHAM, REGINALD, of the Electro Dental Manufacturing Co., Philadelphia, Pa.

GRAVES, JOHN TEMPLE, Orator and Author.

GREEN, C. A., of R. G. Dun & Co., Expert on Credits.

GREEN, ALFREDO METZ, Consul of Uruguay, in New York.

GUERRA, DR. A. DIAZ, of Sharp & Dohme, Baltimore, Md.

HALE, DR. ALBERT, of the Pan American Union Staff.

HAZLETT, D. M., of Latin-American and Foreign Trade Association, St. Louis, Mo.,
Lecturer and Expert on Brazil.

JANES, HENRY L., Asst. Chief, Division of Latin American Affairs, State Department.

JOUBERT, EMILIO C., Minister of the Dominican Republic.

JOHNSTON, FRANKLIN, Editor of *American Exporter*, Expert on Pan American Trade.
 KAHN, JULIUS, Member of Congress from California.
 KELEHER, A. H., of the Holophane Glass Co., Expert on Uruguay.
 KIMBALL, L. A., of the Simmonds Manufacturing Co., Pan American Trade Expert.
 KINSOLVING, RT. REV. LUCIEN LEE, of the Brazilian Episcopal Church.
 KNOX, PHILANDER C., Secretary of State of United States.
 LA LANNE, FRANK D., President of National Board of Trade.
 LAY, JULIUS G., U. S. Consul General, Rio de Janeiro, Brazil.
 LEÃO, FRANCISCO GARCIA PEREIRA, Brazilian Vice Consul, New York.
 LEWIS, HARRISON C., of the National Paper and Type Co., Expert on Newspapers and Advertising.
 LINDSAY, FORBES, Lecturer and Expert on Panama.
 LOOMIS, FRANCIS B., Former Assistant Secretary of State.
 MANNING, ISAAC A., U. S. Consul at La Guaira, Venezuela.
 MAYO, CASWELL, Editor of *Revista Americana de Farmacia y Medicina*, Expert on Pan American Drug Trade.
 MARCAL, JOSE, of the *Jornal do Brasil*, Expert on Brazil.
 MONCADA, GUILLERMO, Consul General of Honduras, New York.
 MILES, BASIL, Postoffice Department, Expert on Parcels Post.
 MOREIRA, M. DE, Editor of *Foreign Trade*, Expert on Brazil.
 MONTGOMERY, W. B., of the Pan American Union Staff.
 MYERS, WILLIAM S., of the Nitrate Propaganda Co., Expert on Nitrates.
 NEWELL, F. H., of the U. S. Reclamation Service.
 NIXON, LEWIS, United States Delegate to Fourth Pan American Conference, Expert on Shipping.
 NOEL, JOHN VAVASOUR, Editor of *Peru Today*, of Lima, Peru.
 OSBORNE, JOHN B., Chief, Bureau of Trade Relations, State Department.
 PARDO, FELIPE, Minister of Peru.
 PEPPER, CHAS. M., of the Bureau of Trade Relations, State Department.
 PORCH, JAMES W., of New Orleans, Expert on Panama Canal.
 PORRAS, DR. BELISARIO, Minister of Panama.
 PURDIE, FRANCIS B., of R. G. Dun & Co., Expert on Credits.
 RAPOSO, LOUIS, Press Correspondent, Expert on Advertising.
 RICCI, LOUIS, of the Barber Asphalt Paving Co., Expert on Pan American Trade.
 RICHLING, JOSE, Consul General of Uruguay, in New York.
 ROBINSON, A. G., Special Correspondent of the *New York Sun*, Expert on Cuba.
 ROJAS, DR. P. EZEQUIEL, Minister of Venezuela.
 ROMERO, CAYETANO, Mexican Consul General, in New York.
 ROOT, SENATOR ELIHU, Member of U. S. Senate from New York.
 ROWE, DR. L. S., of the University of Pennsylvania, and Delegate to the Third Pan American Conference.
 RUTTER, DR. FRANK R., of the Bureau of Manufactures, Department of Commerce and Labor.
 SANNON, H. PAULEUS, Minister of Haiti.
 SANTAMARINA, J. P., of Buenos Ayres, Special Correspondent of *La Razon*.
 SEGOVIA, D. M., of Paraguay.
 SHEPHERD, PROF. W. R., Secretary U. S. Delegation, Fourth Pan American Conference.
 STUTESMAN, J. F., Former U. S. Minister to Bolivia.
 TAFT, WILLIAM HOWARD, President of the United States.
 THOMSON, A. J., General Pan American Trade Expert.
 TRAZIVUK, MARCOS J., of the Ward S. S. Line, Expert on Packing.
 VILLEGAS, JACINTO L., Charge d'Affaires of Argentina.
 WELLS, W. C., of Pan American Union Staff.
 WHITE, HENRY, Chairman of U. S. Delegation at Fourth Pan American Conference.
 WALTON, CLIFFORD S., Consul General of Paraguay in Washington.
 WIBORG, FRANK, General Pan American Authority.
 WILSON, HUNTINGTON, Assistant Secretary of State of the United States.
 WILSON, DR. W. P., Director of Philadelphia Commercial Museum.
 YOACHAM, ALBERTO, Charge d'Affaires of Chile.
 YANES, FRANCISCO J., Assistant Director of the Pan American Union.
 YOUNGMAN; E. H., Editor of *Bankers' Magazine*.

SPEAKERS AT PAN AMERICAN COMMERCIAL CONFERENCE

OPENING SESSION

MONDAY AFTERNOON, FEBRUARY 13, 1911

The President of the United States.

Hon. Philander C. Knox, Secretary of State of the United States.

Hon. Joaquin B. Calvo, Minister of Costa Rica.

Hon. Ignacio Calderon, Minister of Bolivia.

Hon. Joaquin D. Casasús, Former Ambassador of Mexico.

Hon. Champ Clark, Speaker-elect of the House of Representatives.

Mr. James A. Farrell, president of the United States Steel Corporation.

The opening session began at 3.30 o'clock, the speakers being introduced by the Director General of the Pan American Union, Mr. John Barrett.

MONDAY, 8 P. M.

Dr. Alberto Carreño, Secretary of Mexican Special Embassy to the United States, delivered an address upon Mexico.

Dr. Albert Hale, of the Pan American Union Staff, gave an illustrated travel talk on Latin America.

TUESDAY, FEBRUARY 14

Morning, 9.55-12.35 Afternoon, 2.15-5.00

Tuesday's sessions included a general discussion of the Pan American field: Argentina, Brazil, Bolivia, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Uruguay, Venezuela and the United States.

The discussions were led by the diplomatic representatives of Latin America in Washington, and other governmental authorities and trade experts, including:

Felipe Pardo, Minister of Peru.

H. Pauleus Sannon, Minister of Haiti, paper read by Capt. G. R. Fortescue, of the Pan American Union staff.

Doctor Don Rafael M. Arizaga, Minister of Ecuador.

Dr. Salvador Castrillo, Minister of Nicaragua, paper read by J. M. Lacalle of the Pan American Union staff.

Jacinto L. Villegas, Charge d'Affaires of Argentina, paper read by Dr. Albert Hale of the Pan American Union staff.

Dr. P. Ezequiel Rojas, Minister of Venezuela, paper read by Assistant Director of the Pan American Union, Francisco J. Yánes.

Isaac A. Manning, U. S. Consul at La Guaira, Venezuela.

J. P. Santamarina of Buenos Aires, special correspondent of *La Razon*.

Lewis Nixon, delegate of the United States to the Fourth Pan American Conference at Buenos Aires.

Lorenzo Daniels, of the Lamport & Holt S. S. Line, expert on shipping.

A. G. Robinson, special correspondent of the New York *Sun*, expert on Cuba.

Others who participated in the discussions included Franklin Adams, Chief Clerk and Editor of *The Bulletin* of the Pan American Union; Capt. G. R. Fortescue, W. C. Wells, Dr. Albert Hale and W. B. Montgomery of the Pan American Union staff; S. Krausz, S. Gumpert, Francis B. Purdie, Forbes Lindsay, P. B. Clark, Frank D. La Lanne, Mr. Easton, Edward A. Deeds, Joseph H. Appel, H. P. Stratton, Phanor J. Eder, T. C. Clifford, Louis Raposo, John Vavasour Noel, Reginald Gorham, C. L. Coffin, F. C. Enright, D. Lindemay, J. E. Barbosa, A. H. Keleher, H. F. Temple, Paul R. Mahony, J. D. Massey, J. N. Kise, William S. Cox.

TUESDAY, 5.15 P. M.

The delegates were given a reception by the Commercial Club of Washington, at 21 Lafayette Square.

TUESDAY, 8 P. M.

Mrs. Harriet Chalmers Adams, the distinguished woman traveler, gave an illustrated lecture on Latin America.

WEDNESDAY, FEBRUARY 15

Morning, 9.50-12.30 Afternoon, 2.35-5.45

Wednesday's discussions were devoted principally to special features of Pan American commerce and the Panama Canal. The speakers included:

Dr. Belisario Porras, Minister of Panama; paper read by Dr. Albert Hale of the Pan American Union staff.

Francisco de P. Borda, Minister of Colombia, paper read by Phanor J. Eder.

Alfredo De Castro, Charge d'Affaires of Uruguay.

Huntington Wilson, Assistant Secretary of State of the United States.

Francisco Garcia Pereira Leão, Brazilian Vice Consul, New York.

John B. Osborne, Chief of Bureau of Trade Relations, State Department.

Prof. W. R. Shepherd, Columbia University, Secretary U. S. delegation to Fourth Pan American Conference.

Bernard N. Baker, of Baltimore, authority on shipping.

Franklin Johnston, editor of *American Exporter*, New York.

Rt. Rev. Lucien Lee Kinsolving, of the Brazilian Episcopal Church.

Louis Raposo, Press Correspondent, expert on Brazil.

Atherton Brownell, of Brazilian Propaganda, expert on Brazil.

M. De Moreira, editor of *Foreign Trade*, expert on Brazil.

José Richling, Consul-General of Uruguay, New York.

Alfredo Metz Green, Consul of Uruguay, New York.

Francis B. Loomis, former Assistant Secretary of State.

Cesar A. Barranco, Vice Consul of Cuba in Washington.

Those who participated in the discussions were D. Lindemay, Charles A. Pope, Isaac A. Manning, John A. Olt, L. A. Kimball, A. H. Keleher, C. L. Coffin, Philip J. Forbes, P. R. Clark, S. Krausz, Forbes Lindsay, Leonard S. Smith, Alberto Yoacham, Charge d'Affaires of Chile; Marsh Parsons, Mr. Anderson, George L. King, John Vavasour Noel, Louis S. Curt, Charles E. Hildreth, José McMenendez, J. P. Santamarina, Dr. A. Diaz Guerra, Caswell A. Mayo, Phanor J. Eder, E. F. Wickwire, Frank X. Kreidler, Mahlon C. Martin, Jr., S. Gumpert, Charles L. Chandler, J. D. Massey, Paul R. Mahony, John K. Broderick, Dr. Albert Hale.

WEDNESDAY, 1 P. M.

The delegates were given a luncheon at the New Ebbitt House by the Washington Chamber of Commerce and Board of Trade.

The Hon. Henry B. F. Macfarland, former president of the Board of Commissioners of the District of Columbia, delivered an address of welcome at the luncheon.

WEDNESDAY, 8 P. M.

D. M. Hazlett, of the Latin American and Foreign Trade Association, St. Louis, delivered an illustrated lecture upon Brazil, filling the place of Prof. Hiram Bingham, of Yale University, who was to have lectured Wednesday evening, but was taken suddenly ill.

THURSDAY, FEBRUARY 16

Morning, 9.35-12.35 Afternoon, 2.30-5.00

Thursday's sessions were devoted to a continuation of the discussion of Pan American commerce and the Panama Canal. The speakers were:

Julius G. Lay, U. S. Consul General at Rio de Janeiro, Brazil.

A. H. Baldwin, Chief of Bureau of Manufactures, Department of Commerce and Labor.

C. R. Donaldson, Bureau of Manufactures, Department of Commerce and Labor.

Charles M. Pepper, Bureau of Trade Relations, State Department.

Alberto Yoacham, Charge d'Affaires of Chile.

Henry L. Janes, Division of Latin American Affairs, State Department.

Francisco J. Yánes, Assistant Director of the Pan American Union.

J. P. Santamarina, special correspondent of *La Razon*, Buenos Aires.

Charles L. Chandler, U. S. Vice-Consul General, Buenos Aires.
W. A. Graham Clark, expert to Tariff Board on Latin-American market for textiles.

Dr. W. P. Wilson, Director of the Philadelphia Commercial Museum.
C. A. Green, of R. G. Dun & Co., expert on credits.
James W. Porch, of New Orleans, expert on the Panama Canal.
John F. Fowler, of W. R. Grace & Co., expert on export and import trade.
William M. Bunker, Chamber of Commerce, of San Francisco, Cal., expert on the Panama Canal.
Marcos J. Trazivuk, of the Ward S. S. Line, expert on packing.
F. C. Enright, of the Chicago Association of Commerce.
A. H. Keleher, of the Holophane Glass Co., expert on Uruguay.
Dudley Bartlett, of the Philadelphia Commercial Museum.
Rt. Rev. Lucien Lee Kinsolving, of the Brazilian Episcopal Church.
O. P. Austin, Chief of the Bureau of Statistics, Department of Commerce and Labor.

Others who took part in the discussions included D. Lindemay, C. L. Coffin, John Vavasour Noel, Francis J. Lowe, José McMenendez, Forbes Lindsay, Charles J. Marsh, W. J. H. Nourse, Isaac A. Manning, W. C. Wells of the Pan American Union staff; Dr. Frank R. Rutter, of the Bureau of Manufactures, Department of Commerce and Labor; E. F. Wickwire, P. N. Hyde, Harrison C. Lewis, Joseph F. Gray, Charles H. Dankmeyer, A. B. Farquhar, S. Gumpert, S. Krausz, Francis B. Purdie, Reginald Gorham, Pierce G. Williams, Mr. Blood, J. F. Fowler, William T. West, E. Feige.

THURSDAY, 8 P. M.

Miss Annie S. Peck, the distinguished woman mountain-climber, gave an illustrated lecture upon Peru and Bolivia.

FRIDAY, FEBRUARY 17

Morning, 9.45-12.40 Afternoon, 2.15-6.00

During the sessions of Friday, the last day, many delegates, who had not previously been heard, spoke on various phases of Pan American commerce and comity. The speakers included:

Senator Elihu Root, of New York, who was introduced as having done more to develop Pan American commerce and comity than any other man.

Dr. L. S. Rowe, of the University of Pennsylvania and delegate to the Third Pan American Conference.

Henry White, Chairman of the United States Delegation to the Fourth Pan American Conference.

William C. Downs, of Boston, General Expert on Pan American Trade.

Rear Admiral M. Domecq Garcia, of the Argentine Navy.

Dr. Frank L. Rutter, of the Bureau of Manufactures, Department of Commerce and Labor.

Francis B. Purdie, of R. G. Dun & Co., expert on credits.

Charles L. Chandler, United States Vice Consul General at Buenos Aires.

W. S. Peters, of Kansas City.

Caswell A. Mayo, editor of *Revista Americano de Farmacia y Medicina*.

Harrison C. Lewis, of the National Paper & Type Co., expert on advertising.

Forbes Lindsay, lecturer, author and expert on Panama.

F. H. Newell, of the United States Reclamation Service.

E. H. Youngman, editor of *Bankers' Magazine*.

Basil Miles, of the Postoffice Department, expert on parcels post.

Rev. Charles Warren Currier, expert on schools in Brazil.

William E. Curtis, correspondent and publicist, former Director of the Pan American Union.

Gen. George W. Davis, former Governor of Panama.

Isaac A. Manning, U. S. Consul at La Guaira, Venezuela.

Dudley Bartlett, of the Philadelphia Commercial Museum.

Edward A. Deeds, of the National Cash Register Co.

J. F. Stutesman, former U. S. Minister to Bolivia.
Aurelio De Armas, of Havana, Cuba, expert on Cuba.
A. J. Thomson, General Pan American trade expert.
Louis D. Ricci, of the Barber Asphalt Paving Co., expert on Pan American trade.

W. M. Benney, secretary of the National Association of Manufacturers.

D. M. Segovia, of Paraguay.

W. C. Wells, of the Pan American Union staff.

Franklin Adams, Chief Clerk of the Pan American Union.

Dr. Albert Hale, of the Pan American Union staff.

Capt. G. R. Fortescue, of the Pan American Union staff.

W. B. Montgomery, of the Pan American Union staff.

John Vavasour Noel, editor of *Peru Today*, of Lima, Peru.

Louis S. Curt, expert on Latin America.

William M. Dickinson, of the Otis Elevator Co., expert on Latin-America.

Julius Kahn, member of Congress from California.

John Temple Graves, orator and author.

Those who participated in the discussions included Dr. William O. McDowell, F. C. Enright, S. Gumpert, P. N. Hyde, Jay C. Freeman, H. H. Haines, Reginald Gorham, Harrison C. Lewis, A. H. Keleher, Herbert M. Davison, S. Krausz, J. F. Fowler, Belva A. Lockwood, Annie S. Peck, Mr. Lowe, John A. Olt.

SPEECHES AT OPENING SESSION

THE ADDRESS OF WELCOME BY THE DIRECTOR GENERAL OF THE PAN AMERICAN UNION, MR. JOHN BARRETT.

Mr. President, Mr. Secretary, and Members of the Diplomatic Corps, Ladies and Gentlemen:

In welcoming you here this afternoon in my capacity as executive officer of the Pan American Union I shall take up only a moment of your time.

It is not necessary to point out in detail the objects of this meeting; they were fully explained in the invitation which most of you have seen or received.

In general terms, it can be said that this Conference was prompted by the overwhelming correspondence which has been pouring into this office during the past year asking for information about an extraordinary variety of matters regarding the conditions and possibilities of trade between the United States and the twenty Latin American Republics.

The work of this institution has quadrupled during the last few years, until now it has become a practical clearing house, as it were, for the exchange of useful data concerning all the American nations.

It seemed wise, therefore, to concentrate efforts to get into closer touch with the situation by inviting here, on the one hand, manufacturers, exporters and importers, and others desiring information, and, on the other, those officials, authorities and commercial experts familiar with Pan American trade, to exchange views and opinions, to ask and answer questions, and engage in such appropriate discussions as would greatly help the growing movement to build up Pan American commerce and comity and to get ready for the Panama Canal, which is nearing completion and means as much for South America as it does for North America.

Particularly is it desirable that the *exchange* of trade should be carefully considered—the buying from, as well as the selling to, Latin America—for only in that way can a permanently prosperous and mutually beneficial commerce be maintained between the American countries.

The cordial response to the invitation to participate in this Conference which has come from all sections and from all classes of men interested is most gratifying, and this afternoon our records show that twelve commercial clubs, twenty-five boards of trade, thirty-two chambers of commerce, and forty-two other trade bodies, together with approximately five hundred and thirty-one manufacturing, exporting and importing firms, and no small number of individuals or delegates, have expressed a desire to attend the Conference.

Hundreds of others, unable to be represented, have sent words of hearty approval and asked that copies of reports of the Conference be forwarded to them.

I am grateful for the participation of the President, the Secretary of State—who is also Chairman of the Governing Board of the Pan American Union—the Latin American Diplomatic Representatives, who also belong to its Governing Board, and the other distinguished guests who are here today or will take part on other days.



DELEGATES TO THE PAN AMERICAN COMMERCIAL CONFERENCE.
Held February 13-17, 1911, in the Building of the Pan American Union, Washington, D. C.

ADDRESS OF THE SECRETARY OF STATE OF THE UNITED STATES HON. PHILANDER C. KNOX

Director General Barrett then introduced Hon. Philander C. Knox, Secretary of State and Chairman of the Governing Board of the Pan American Union.

Secretary KNOX said:

Gentlemen: You have met at an important stage in the evolution of the industrial and commercial relations of the Republics of the Western Hemisphere. The significance of this Congress can hardly be overestimated. It meets for the discussion of practical subjects, for the dissemination of information, for the interchange of ideas in regard to the exchange of trade.

It is fitting that the Pan American Conferences, which are now held at regular intervals, should be followed by commercial Pan American Congresses such as this one, which supplements the broad general work of those gatherings in establishing closer relations and promoting the principles of peace among the different countries. It conserves and fructifies the resolutions and recommendations of those Conferences, and it opens the channels for putting into effect the principles they lay down. The approach of the Americas was the aspiration voiced by that illustrious statesman and publicist, the late JOAQUIN NABUCO, who, as Ambassador of the Brazilian Republic, participated in so many movements for the improvement of the relations of all the countries of this hemisphere. His services to mutual peace and good will, and to that closer commercial intercourse which is at once the harbinger and the advocate of such good will, will long be remembered. Speaking from his position as the representative of a great southern Republic, he once told us of the good that Latin America would derive from closer intercourse with the United States. He also told us that the benefit which we of the United States would derive from that intercourse at first would be only the good that comes from making friends. We were satisfied with that good, but already we see how it also leads to and embraces the sphere of trade interests.

The educational value of gatherings such as this, where commercial expansion may be discussed in all its aspects, is very great. Let me candidly confess that in the past we have been too ignorant of our southern neighbors, their vast undeveloped resources, and the measures they have been taking to open themselves to the world.

Happily that ignorance is disappearing. The mists began to clear away when in 1889 JAMES G. BLAINE seriously initiated a Pan American commercial policy. They were further dissipated when my distinguished predecessor made his memorable trip around South America. The cordiality of the welcome given him by our neighbors to the south is yet fresh in our memories. This journey, supplemented by subsequent visits on his part to other Latin American countries, promoted a better understanding on their part of our commercial aims and expectations. It had even a greater influence on the people of the United States in educating them in regard to Latin America, its institutions, the policies of its statesmen, and the opportunities for the investment of capital and the promotion of general trade.

The moral forces of commerce, the pacific influence of trade, should be the foundation of the commercial policy of the representatives of the Western Hemisphere. The energies of production and consumption can not better be conserved than on such a basis. The diplomacy of commerce can not better be employed than in fertilizing and making productive the aspirations that within the last quarter of a century have germinated. From our own viewpoint, here on the northern continent, surveying the whole field of Latin American commerce, we are struck with an economic fact which must govern our mutual relations. The trade currents which flow between the United States and its Latin American neighbors should be north and south. The historic trade routes are along lines of latitude rather than longitude. There is profit for all of us in following the natural lines of least geographic resistance. In the trend of trade on this hemisphere the temperate and the tropical regions are mutually dependent each on the other. We have abundance of raw material fabricated into finished products which our southern neighbors want. They have certain products which are essential elements in our food consumption. Some surplus food products we also have for them. This is a good basis for mutual exchange.

If I were to note the most marked development in our own commercial policy within the last few years as relates to our Latin American neighbors, I should place first, not the general commercial exchange of commodities, though that is of great importance, but the awakening of our own people to the opportunities for the investment of capital. We have reached the stage in our own national development where our capital, never timorous when the opportunities are commensurate with the effort, looks to the south. What we did for the development of the mines and the railway system of Mexico, with abundantly satisfactory returns to ourselves and with equal advantage to our neighbors across the Rio Grande, we may further do in other countries not quite so near. The movement is perhaps a little slow, but it has set in, and with the exercise of that patience which is one of the temperamental characteristics of our Latin American friends, we may look for a much greater share in their development by capital from the United States than in the past.

We are interested in bettering the steamship communication. We believe that, while its material advantages are great, by the better and quicker facilities for mail and freight which such improvement will afford, there is an even greater advantage in the closer intercourse among the different peoples which it makes possible. We believe in the era of railroad construction which has set in and which is bearing such abundant fruits, and especially in that great intercontinental project with its enormous possibilities of good, the Pan American Railway. We believe, of course, in the Panama Canal, both as a commercial factor and as a moral force. We believe in the future development of those vast treasure beds of the Andes, the mines, and we hope to see much more of it done by our own capital. We believe in an international bank which will keep the commercial currents flowing in their proper direction. We believe in all these projects, and we believe that the countries which have these resources to develop should be aided by capital from the United States and the United States should reap the legitimate fruits of such enterprise.

ADDRESS OF THE MINISTER FROM COSTA RICA, SEÑOR DON JOAQUIN B. CALVO

Director General Barrett then introduced Senor Don Joaquin B. Calvo, Minister from Costa Rica.

Señor CALVO said:

Mr. President and Gentlemen: It is most gratifying to note that, although this is not an official affair, Their Excellencies the President and the Secretary of State of the United States have honored this Conference with their presence and their words, showing in this, as in all opportune occasions, their earnest desire to promote the best understanding with all the other American Republics. I am sure that the sentiments that they have expressed will be highly and justly appreciated in the whole continent. Particularly speaking, permit me to convey to them the most sincere thanks in the name of the five Central American Republics.

Gentlemen, you have assembled here to discuss matters relative to commerce and the means to extend your able activities and to carry them beyond the national boundaries; you have expressed your desire to establish and maintain closer relations with the other countries of this hemisphere, and the Latin American Republics, inspired in the same friendly spirit, it is well known, readily respond to this call, as you do, to promote the great common interests of the American Continent.

For Central America in particular, I consider a blessing the proximity in which those countries lie, nature having located them in the center of this continent, around the encircled sea which gives us the advantages of being almost your riparians, with the Pacific Ocean on the other side, and we know what this means in connection with the development of our countries.

It may interest you to know that the foreign commerce of Central America amounted last year to more than \$50,000,000, detailed information to be given during the sessions of the Conference. These comparatively important figures show that the inauguration of the Panama Canal will not take us unprepared, and we hope that Central America will be largely benefited through the influence of that great undertaking in the general progress that it will bring to the commerce of the world. The completion of it is upon us, and we will welcome it not only from the com-

mercial point of view, but particularly from that of its civilizing influences and more intimate relations with this great and noble nation.

Gentlemen, we thank you very much for your presence here, although we are same as you are, invited guests to this meeting. The Conference not being officially called, we neither had opportunity to vote any resolution whatever of the Governing Board of the Pan American Union in connection therewith.

As it has been already said, the foreign commerce of the five Republics of Central America amounted to more than \$50,000,000 in the year 1909, last figures obtainable, each country contributing as follows:

	Popula- tion.	Imports.	Exports.	1909. Total.	Per capita.
Costa Rica.....	368,780	\$6,109,938	\$8,176,257	\$14,286,195	\$38.80
Guatemala.....	1,992,000	5,251,817	10,079,219	15,330,536	7.70
Salvador.....	1,707,000	4,176,931	6,401,349	10,578,280	6.19
Nicaragua.....	690,000	3,500,000	3,600,000	7,100,000	11.80
Honduras.....	745,000	2,581,553	1,990,601	4,572,154	6.13
Total.....	5,412,780	\$21,619,739	\$30,247,426	\$51,867,165	9.58

This total, compared with that of 5,500,000 population, shows a general per capita of \$9.58.

The soil of Central America is one of the richest in the world. It abounds in minerals, forest products and all other natural resources, and is adaptable to almost any culture, as you all know, and its location between the two great Americas, bathed by the two great oceans, commands a position with no equal as a center for the universal commerce of the future.

The progress of those Republics, if retarded, is noticeable at the present time. Costa Rica, notwithstanding the calamities that befell her in the last two years of uncommonly heavy rainy seasons and a severe earthquake, shows a per capita of \$38.80. Costa Rica and Guatemala enjoy the benefits of interoceanic railroad communication, and with the others are making energetic endeavors to improve their means of communication by land and water. We expect very soon to see the main branch of the Pan American Railroad from the United States through Mexico connected with the railroad lines in Guatemala; and soon afterwards to see them connected also with those of El Salvador, which are being extended toward Honduras and Nicaragua, while prospects are the best to have Costa Rica, Nicaragua and Panama united in the same way. The Costa Rican lines are extending toward north and south to those Republics.

Communication by water on the Atlantic side has been improved greatly through the service of the steamers of the United Fruit Company, and at present is most satisfactory; but in the Pacific the monopoly continues to keep the same unsatisfactory conditions which have always existed. Salvador has no Atlantic ports, its territory lying in the Pacific between Guatemala and Honduras, almost touching that of Nicaragua. The connection of the Salvadorean with the Guatemalan lines, therefore, will give that industrious Republic direct communication with the Atlantic.

Particularly speaking of Costa Rica, my native country, nothing would be more gratifying than to mention the stability of its Government, the legal succession of one administration after the other, in such a regular way that we are proud to have five living ex-presidents among our noted citizens (Bernardo Soto, 1886-1890; José J. Rodríguez, 1890-1894; Rafael Iglesias, 1894-1902; Ascension Esquivel, 1902-1906; Cleto Gonzalez Viquez, 1906-1910). These facts bespeak the character of the Costa Rican people, and their love of order and justice, while its foreign commerce attests to its industrious habits.

Costa Rica by selection of its sister Republics has the honor of being the seat of the first permanent international court of justice ever established on this continent.

Elisée Reclus, in his famous "Geographie Universelle," says that the people of Costa Rica present a certain originality from the ordinary Hispanic American communities; that the melting of its elements into one national unit has been accomplished there with better success than elsewhere. Felix Belly, a distinguished French traveler, among other well-known writers, says that the population of Costa Rica in its aggregate represents the highest plane of Christian civilization, as well as in all that touches the love of work and of the family; and that the whole Republic breathes a certain air of well-being, of honesty, and of goodness. And from a more intimate source I will have the pleasure of quoting the following from the report of the Central and South American Commissioners from the United States, 1885, to wit:

"The name of Costa Rica stands high as a Republic, alive to the demands of a progressive, freedom-loving people; her institutions and her wealth, her industries and improvements, bespeak a nation whose face is to the future, and whose enterprise will carry her to the high position her natural endowments and resources and advanced ideas demand."

Foreigners enjoy in Costa Rica the same civil rights as the natives, without the necessity of being admitted to citizenship or being compelled to pay any contribution thereon. They can carry on their business and manufactures, own real estate, buy and sell, navigate the rivers and coasts, exercise freely their religious creeds, marry, and dispose of their property by will.

In this connection it is to be noted that although comparatively the number of foreigners residing in Costa Rica and the amount of foreign capital—particularly American capital—invested there are larger than at any of the neighboring countries, Costa Rica has not at present, nor ever had at any time, claims presented against her for damages or injuries to those who have selected our country as their home or who came to our shores on business or to practice their professions.

In regard to currency, Costa Rica adopted and maintains very successfully the gold standard, has a solid banking system, and is in the way of very substantial improvements in its financial affairs.

The history of the Costa Rican commerce is a good illustration of the possibilities of the United States in Latin America. Formerly our trade was carried on chiefly with England, from the Pacific through the Strait of Magellan. Afterwards it went through the Panama Railway, but since communication by rail with the Atlantic was opened, conditions changed essentially. Notwithstanding that the Atlantic Railway belongs to an English company, our trade with the United States has increased from 1880 up to the present time to 57 per cent. of its total amount. That is to say, that Costa Rica does more business with this country than with all the other nations combined. Last year we exported to the United States \$4,802,254 and imported \$3,376,350 of American goods—\$8,178,606 out of the total amount of \$14,286,195, the total Costa Rican commerce.

	Imports.	Exports.
United States.....	\$3,376,350	\$4,802,254
Great Britain.....	1,115,676	2,944,947
Germany.....	802,234	166,686
France.....	305,497	117,298
Other countries.....	510,181	145,072
Total.....	\$6,109,938	\$8,176,257

All the above shows without question that Costa Rica presents, as already said, a good illustration of the possibilities for the business men of the United States in Latin America. Were Costa Rica a larger country, the facts I have briefly mentioned would be loudly spread everywhere.

As for details, they are to be found in the publications of the Pan American Union.

ADDRESS OF THE MINISTER FROM BOLIVIA,
SEÑOR DON IGNACIO CALDERON

Director General Barrett then introduced Señor Don Ignacio Calderon, Minister from Bolivia.

Señor CALDERON said:

Mr. President—Gentlemen: "Your presence here is no ordinary event. It signifies much to the people of all America. It may signify much more in days to come."

Such were the prophetic words that the far-seeing statesman, James G. Blaine, uttered welcoming in this city the First Pan American Conference.

Today on the eve of the fulfillment of that prophecy it is my privilege and special pleasure to welcome you here in this palace of peace dedicated to the brotherhood of all the American Republics through the concourse of all of them, and principally by the magnificent liberality of that noble philanthropist, ANDREW CARNEGIE, who so well knew how to use wealth in a democracy.

I am compelled to acknowledge that the first years of the existence of this institution passed in a kind of what somebody might have called "innocuous desuetude;" the time was not ripe for it. The public opinion in this country was indifferent and South America was in bad odor, as the papers never printed any other news than that of revolutions and disorder, and made free use of some of the stock jokes about the armies with a hundred generals and one soldier, and so forth.

On the other hand, many malicious reports were spread in the southern Republics about the great "northern eagle," that was only a big bird of prey, ready to pounce and gobble up all the Republics in South America.

Under such circumstances it was natural that the cause of Pan Americanism should not progress, but in the summer of 1906 another great statesman went forth to South America with a message of peace and of friendship from the people and the Government of the United States to their southern sister Republics.

How well Mr. Root fulfilled his noble mission is matter of history. His eloquent and sincere words were received in all good faith, and when at the meeting of the Third Pan American Conference in Rio he explained the position of this country in clear and forcible terms, no doubt was entertained about its meaning. He frankly declared: "We wish for no victories but that of peace, for no territory except our own; for no sovereignty except the sovereignty of ourselves," and after said: "We wish to increase our prosperity, to expand our trade, to grow in wealth, in wisdom, and in spirit, but our conception of the true way to accomplish this is not to pull down others and profit by their ruin, but to help all our friends to a common growth and prosperity, that we may become stronger and greater together." The policy of this great nation was clearly defined. And when he came back to this country he awakened public opinion as to the progress and development of the Southern Republics.

Since then the interest of this country in South America has been growing steadily under the wise impulse given to our good relations by the present administration and its able Secretary of State, and the work of propaganda by that apostle of Pan Americanism, the Director General of this Union.

Speaking to an assemblage as intelligent as this I need not dwell on the great possibilities offered by South America, but I will say it is one of the greatest continents on the face of the earth. Stretching its length from the shore of the Gulf of Mexico down to the frigid regions of Cape Horn, South America with its area of over 7,700,000 square miles of territory offers to human industry and necessity every gift that bountiful nature could bestow.

Its grand and majestic mountains, its secular and imposing forests, its great rivers, such as the Amazon, that for over 3000 miles can float the largest ships, are full of the most admirable panorama that is given man to contemplate.

Venezuela, Colombia and Ecuador in the northern section are rich in every kind of tropical product, such as coffee, cocoa, nuts, rubber, etc., and its savannas are capable of maintaining millions of cattle. They are rich in various mineral products, asphalt lakes, emerald mines and pearl fisheries.

Farther south Peru produces great quantities of sugar, cotton and alpaca wool, and has great petroleum fields. Chile owns the great nitrate fields which furnish the world's agricultural fertilizers. Its central valleys are rich in agricultural products, and its wine industry is being greatly developed, as is also sheep raising.

Farther south the Argentine Republic occupies already a commanding position in the world's trade as a great exporter of agricultural and animal products. Uruguay and Paraguay are also countries rich in the same kind of products.

Brazil, with its vast territory and great rivers, furnishes today the greater part of the coffee and rubber consumed in this and other countries.

Bolivia, my country, situated in the center of the continent, is the richest country in mineral wealth and has contributed for centuries millions of dollars worth of silver; besides, there are copper, zinc, bismuth and gold mines. Tin is now one of the leading exports and furnishes at least one-fourth of the world's production, and should it cease in the few other places where it is now produced Bolivia could well supply the world with all the tin needed.

This great development of the southern countries is represented by over two thousand million dollars of their international trade.

This enormous sum is constantly growing as the construction of the railways is being pushed everywhere.

Brazil is extending its lines from north to south and from west to east, stretching them toward Uruguay and Paraguay.

The Argentine is gridironed with over 16,000 miles of railways, and new lines are being built in response to the need of its growing trade.

Chile is about to construct a line along its coast from north to south; it has also in connection with the Argentine completed the great tunnel under the Andes, that has put in close contact Buenos Aires and Santiago.

On the summit of the Andes stands that world-wide famous monument of Christ the Redeemer, the noblest expression of the sentiments for peace and fraternity in democratic America.

Bolivia is developing a carefully mapped railway system that is being carried out. One of its lines, going from north to south all through its high plateau, will afford a continuous railway communication between La Paz and Buenos Aires. Other lines will be extended through the eastern section of the country to facilitate the exportation of the abundant rubber forests, rich pastures and all kinds of tropical products.

Peru is extending its railway lines to the head waters of the Amazon in the north and bringing them down in the south to connect with the Bolivian system. And soon it may be possible to go by through trains from Lima on the Pacific coast to Buenos Aires on the Atlantic.

Ecuador has built a railway from Guayaquil, its main port on the Pacific, to Quito, the capital of the Republic, and other lines are in contemplation. The same work is going on in Colombia and Venezuela.

The great commercial progress of South America is represented by two thousand million dollars worth of exports and imports, and out of this enormous amount the share of the United States is very reduced comparatively.

It is a painful fact that all through South America there are no American banking institutions, whereas you can find English, French, Italian, German and Spanish banks in all the great capitals.

It is true that you have been too busy developing the resources of this magnificent country to bring it to the front rank as one of the greatest powers industrially, financially and politically. You have been too busy creating multi-millionaires by hundreds, but the time has come when the expansion of your financial and manufacturing resources demand new and enlarged markets.

The opening of the Panama Canal will make yet more important the development of the free commercial relations with both Americas. The completion of that stupendous work called to revolutionize the political and trade relations of the world will show how near neighbors we are and how close together are the countries of this hemisphere.

It would be presumptuous for me to say anything about the means and methods by which the commercial relations of our countries can be developed when I see here represented all the great commercial and industrial interests by men high in the management of business affairs.

This Congress will no doubt discuss and determine the best means to that end. I must say, though, that the mere buying and selling of products is not the whole aim of the nation's life. There are the great ideals, the sentiments that inspire and guide their conduct, that are more lasting and have much greater importance. In developing, consolidating and strengthening the power of our Republics we must not forget that we are consolidating and insuring for mankind those noble and elevating principles of democracy that stand for the uplifting of our race, for leaving open the road to success to every man with brains enough, right heart and perseverance to forge his way; that we stand for the equality of man and to not recognize any other superiority or distinction but that which comes with a duty nobly performed, with the spirit of charity and justice in all actions.

Democracy in this American Continent means the absolute empire of right, of justice and the development of every impulse that makes man nobler and purer.

Would that the flag of this great country, the beautiful Stars and Stripes, surrounded by the free flags of all the nations you see displayed in the corridor of this building, always wave over millions and millions of happy men, free, united in the common work of consolidating right and justice in the world, and bring one day the reign of that peace on earth proclaimed nineteen hundred years ago by angelic voices from heaven and so earnestly sought by every right-thinking man and woman in the world.

ADDRESS OF THE FORMER AMBASSADOR FROM MEXICO, SEÑOR DON JOAQUIN D. CASASUS

Director General Barrett then introduced Señor Don Casasus, former ambassador from Mexico.

Señor CASASUS said:

Mr. President, Gentlemen: It is to the happy initiative of that distinguished statesman, JAMES G. BLAINE, that we owe the conference of the American nations, which since 1889 have been held from time to time and which have been so productive of beneficial results and have brought us a rich and abundant harvest.

The natural and fruitful consequences of the arduous labor begun with such faith and carried out with such tenacity of purpose by the International Conferences of the American Nations are the following: A better knowledge of each other among these nations; the intelligent consideration of the different international problems that separate some nations while uniting others; frequency of communication, bringing with it closer relations; the ever-recurring endeavors showing the need of codification of international law; the stage of progress reached in making arbitration the only solution of international conflicts, and the part that all Latin America took in The Hague Conference, so that their important interests should be there represented for the first time.

When the first Pan American Conference was held in Washington a large number of European and American statesmen were of the opinion that its object was quite unattainable; that the plans laid out to reach the desired end were but a chimera and that it seemed impossible that such live forces should be directed to following a "will-o'-the-wisp," a mirage like those that the vast sandy plains of the desert present to the eyes of the tired traveler.

Today we have to confess that those who held such opinions were in error; though it be true that the progress of nations can not be effected, unless there be in sight a more or less remote ideal, just as we can not comprehend life without the charm of some illusion, the mirage of some hope, so the aims which led the Governments of America to meet together in frequent conferences, have been inspired by the conviction of their great needs and by the earnest desire to satisfy them in the most efficacious manner.

The Pan American Conferences have not had in view the suppression of those barriers which divide nations. That, indeed, would be a dream. They have never pretended to realize the political union of different American nationalities. That would be a wild flight of imagination. They have never thought of the possible constitution of a Zollverein, which relegates the home interests of each nationality to oblivion; that would be an impossibility. But they have recognized that commercial ties are the closest bonds of a strong and lasting union. For that reason all their forces have been brought into play, inspired by a modern and practical spirit to facilitate the development of means of communication, to the building of solid foundations for international exchange and to the striving, because of a fuller knowledge of their products and consumption, to obtain a more rapid-increase of their wealth and greater benefits from the reciprocal exchange.

The union of the American Republics, thus conceived, was a symbol representing a tendency and, therefore, an ideal which demanded an effort for its realization; in other words, a purpose.

Today, those who are more or less interested in Pan Americanism see that the symbol has taken shape, the shape most apt to become a living organism; that the ideal is an astonishing reality, that the purpose has been crowned by success.

The union of the American Republics dreamed of by Blaine and created by the Conference of 1889 has acquired by a better organization greater stability—on the one hand, thanks to the intelligent initiative of Elihu Root, in whom the practical spirit of the man of affairs unites so admirably with the prudence of the statesman, and on the other due to the resolutions approved by the Conferences of Rio de Janeiro and Buenos Aires.

The commercial progress of the nations of America among themselves, retarded because of the enormous distances separating them, the vast extent of their territories, quite out of proportion with the number of their population, the vast riches lying in the soil unexpected and as yet not even explored, has an imperative

need of an institution that by rapid communication may abolish distances, and by the kind of information scattered broadcast may make up in a way for the scarcity of population. An institution which, by the publication of reliable data, may make known the existence of those riches upon the exploitation of which depends the greatest welfare of nations, as well as the rapid progress of civilization.

The nations of Latin America, like most new countries, have but little capital. Teeming with possibilities like all rich countries, they need to make their products known and must offer complete security for the investment of foreign capital.

On the other hand, the United States, which has a glut of capital and seeks beyond its boundaries a manner of investing which may increase this capital, stands in need of reliable data giving accurate information in regard to opportunities of all kinds and guaranteeing the rapid increase of the capital invested.

For this reason the institution of the Pan American Union meets the exigencies of the present moment and is called upon to fill a want that the United States as well as all Latin America equally feels.

Commercial congresses, by which all practical men in America are brought together, commercial museums for the permanent exposition of manufactures, products of the soil, and of the minerals hidden in the bowels of the earth, as well as all the wonders nature conceals, the wise dissemination of trustworthy data and correct information, all this will eventually do away with the obnoxious middleman, while facilitating more intimate knowledge of men of business and bankers who will bring the enormous capital needed for the development of Latin American wealth.

The Pan American Union is the institution best qualified to develop this scheme. Its first commercial congress is inaugurated today. Later on will come the opening of its commercial museum, and the organization of its agencies in all America. Through the medium of the Bulletin an intelligent propaganda is carried on, placing before those interested the best information, so that capitalists may know where to invest their money safely, thus successfully filling the great object of the institution.

The Pan American Union, which exists today in a building worthy of the institution for its grandeur and beauty, will reach some day in the near future the acme of its success by the efficiency of its work and the important services rendered to the commercial relations of America.

The illusion of yesterday has become a beautiful reality. Over it now and ever hovers the ideal of the National Conferences of America; that is, the stability and progress of its commercial relations.

ADDRESS OF MR. J. A. FARRELL, PRESIDENT OF THE UNITED STATES STEEL CORPORATION

Director General Barrett then introduced Mr. J. A. Farrell, president of the United States Steel Corporation.

Mr. FARRELL said:

Mr. President, Ladies and Gentlemen: The International Union of American Republics, commonly called "The Pan American Union," its distinguished Board of Directors, and its competent, zealous and efficient Director General, Mr. Barrett, together with the Assistant Director, Mr. Francisco J. Yánes, are to be congratulated upon this great gathering of representative business men, interested in promoting trade and commerce between the countries comprising Latin America and the United States.

As anyone who studies the progress of nations can perceive, the producing capacity of the United States has reached a point far exceeding the consumption, and the ratio of excess is assuming greater proportions each year. It is therefore imperative for the manufacturers of this country to look beyond its borders for markets wherein they can profitably dispose of their manufactures, and, naturally, our geographical position points to the vast country lying to the south of us as a market which should enable us to secure a portion of the trade commensurate to our position as one of the foremost producing nations.

The possibilities for the consumption of American products in the markets of our neighboring countries have long been realized by the greatest statesmen, as well as the leaders in the economic and commercial enterprises of our country. To

everyone engaged in foreign commerce there comes a broader knowledge of human affairs and a better understanding of the relations of men and of nations and their relations to each other than comes to those who are solely engaged in domestic or local enterprises.

It has been the fashion to criticize American export methods indiscriminately; so also it has been the fashion to criticize the commercial methods of South American buyers. There are doubtless examples meriting criticism in both cases, but my observation, extending over many years in the export business, and based on a direct personal acquaintance with the world's markets, enables me to state that, generally speaking, the products of our country and the manner in which they are packed for shipment are equal, if not in many cases superior, to the products and methods of European manufacturing countries.

The improvement which is constantly taking place in the quality and character of American manufactures is one of the reasons why our trade is constantly increasing. It is a fallacy to believe that quality does not count and that South America wants cheap goods. My experience is this, when our friends want railway materials, and a thousand and one other things, they are as well able to recognize quality and as competent to determine their necessities as we are.

The business methods of our friends to the south of us do not differ materially from ours, excepting that they are rather more conservative. It is more difficult to secure business connections there than in our country, but, once secured and mutual confidence established, it is of a permanent character.

The countries comprising what is commonly called "Latin America" should be drawn by a generous exchange of commodities through the peaceful channels of trade and commerce. As fair dealing is the only foundation upon which a sound and successful enterprise can be established, none but those of undoubted character and business ability should be sent to represent American industrial enterprises. In our relations with Latin America, this thought should be uppermost in the minds of those of our merchants who would seek a market in these countries. The patient cultivation of our trade will carry with it rewards of great mutual advantage.

Since the establishment of the Pan American Union, much has been accomplished to develop trade with those countries. Our neighbors have always found in the United States the greatest and best market for their products, statistics showing that we have given them more in trade than we have received; the reason for this being that, until comparatively recent years, we, as a nation, have been largely interested in the internal development of our natural resources, and have given little thought to the development of foreign trade, except as our requirements or necessities impelled us.

The growth of our country's trade with the Latin American Republics furnishes a striking example of what can be accomplished by commercial friendship and co-operation. It is beyond the scope of this address to do more than briefly outline the nature and value of the trade between us.

The establishment of American banking facilities and American steamship lines are incidental matters which will evolve in the course of time.

The completion of the Panama Canal will give a wonderful impetus to Pan American trade. It is impossible, at this time, to fully estimate the benefits that will accrue to the manufacturing and industrial interests of the United States and Latin America. We are justified in believing that it will undoubtedly prove one of the most profitable investments ever made by our Government, aside from its being a national necessity.

The United States Government statistical reports for the calendar year 1910, recently published by the Department of Commerce and Labor, show that our trade with the countries embraced in the Pan American Union, in round figures, was as follows:

Imports.....	\$394,000,000
Exports.....	260,000,000

Balance against the United States.....	134,000,000
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This adverse balance is largely accounted for by the figures of our commerce with Brazil, which were, in round numbers:

Imports.....	\$103,000,000
Exports.....	25,000,000

Balance against United States.....	78,000,000
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While I have not at hand the latest statistics of the total amount of the trade of other countries with those embraced in Pan American Union, it will be interesting to note the comparison of the figures for steel products alone, for which class of trade reasonably close approximations are obtainable. The comparison is as follows:

In 1910 the manufacturers of the United States exported to the Pan American States, steel products of an aggregate value of \$21,000,000, as against a total of \$35,000,000 exported by European manufacturers to the same countries.

We are a great manufacturing nation, and as such, it is only reasonable for us to look to our neighbors for fair exchange of our commodities in return for those we obtain from them. Up to within recent years a large percentage of our country's exports came to our manufacturers without any particular effort, but in late years it has been necessary for our manufacturers to study foreign markets. To be successful our manufacturers must have a fuller knowledge of their requirements and keep in closer touch with their customers. Such contact places them in a more intelligent position respecting our resources and products, and promotes an intercourse which is mutually beneficial. System, purpose and organization are the only things that count in the long run.

The delusion exists that the trade of the United States with foreign countries is carried on within narrow limits, among others the claim being made that we do not extend credits, and in consequence a large volume of trade goes to Europe which would come here were we to grant credits of six to nine months. In the great majority of cases credits such as referred to are granted only against acceptance of drafts, with interest added for the accommodation, but the bulk of the business done with the best buyers, wherever found, is either against bank credit, or cash against shipping documents. Wherever there is a *basis* for credit, American manufacturers will be found as ready to grant it as Europeans.

It is only within the past few years that we have had direct lines of communication from the United States to many South American ports. The growth and development of trade and commerce between the United States and the countries of Latin America has now been increased to such proportions that there are frequent sailings between ports of the United States, on the Atlantic and Gulf coasts, direct to the ports of Latin America, on both the east and west coasts.

In the development of our trade we should endeavor to obtain our full share of business by fair and honorable means and with due regard to the rights of those with whom we are trading. The saying, "Competition is the life of trade" is a truism to which daily utterance is given. Were this changed to "*Fair* competition is the life of trade," it would more correctly represent the basis upon which sound and lasting business relations may be established.

If we investigate the commercial and economic history of the countries that have made the greatest strides in ancient and modern times, we will find that their Governments and statesmen have given their best thought, energy and support to foster and protect their interest at home and to seek markets abroad.

The Pan American Union is performing a great work for the advancement of trade, commerce, peace and civilization, and it is to be hoped that the respective Governments will continue to support the movement so that a lasting goodwill may be established through the peaceful contests fought out in the channels of trade and commerce.

This occasion should not be allowed to pass without a word of congratulation to the commercial world, and more particularly to our distinguished President and Secretary of State, on the decisive and effective position taken and held during recent years towards the perfection of our diplomatic and consular organization. The commercial world is watching our consular service and the efforts of the Government to keep this most important branch of our foreign representation on a merit and business basis.

Our consular service has grown and developed in recent years under the present policy of the Government, so as to merit the confidence of our citizens at home and abroad. We should not forget that this service remains the one organized expression of our country in its stupendous contests which are now engaging the nations of the earth in competition.

The commercial interests of the United States should guard it jealously and support and fortify in every possible manner the splendid work of Secretary Knox and Director Carr in their efforts to maintain and improve this branch of the Government service.

The Department of Commerce and Labor has also in recent years achieved splendid results by sending special agents throughout the world to report on business and economic conditions with a view to the promotion of our country's trade and commerce with foreign countries.

As a business proposition alone the emoluments of every consulate on the list where conditions recommend its continuance should be markedly advanced. Our consular service is highly efficient and no just criticism can be made of it, but men tire of working for glory alone. The service should be fixed by statute on a permanent basis and salaries paid commensurate with the importance of the work and the pretensions of our country.

I am one who believes the American consular service is the best in the world. I have met many consular officers, and I have invariably found them interested in their work and appreciative of the significance of American commerce.

In this connection the thought is suggested how the consular organization might be used in a direct manner for the dissemination of information concerning American manufactures and exports in a wise and comprehensive way. This could be done by establishing a consular trade bulletin to be published by the Government in several different editions and in different foreign languages, printing the standard American exports with specimen prices and other information indicated by bills of lading and invoices at the point of shipment.

Such publication being of a statistical character and bearing the imprint of the United States Government, would be received without prejudice in every market of the world.

ADDRESS OF HON. CHAMP CLARK, SPEAKER-ELECT OF THE HOUSE OF REPRESENTATIVES

Director General Barrett then introduced Hon. Champ Clark, M. C. from Missouri and Speaker-elect of the House of Representatives.

Mr. CLARK said:

Mr. Chairman and Ladies and Gentlemen: You came very near being deprived of my society this evening on account of the great debate that is now raging in the House of Representatives on the Canadian reciprocity bill. That is a document that President Taft and myself sort of own in partnership. We went into Committee of the Whole on the state of the Union to discuss it, by a vote of 195 to 131, which I suppose is really about a test vote.

I am going to speak for myself now and not for President Taft or for anybody else. I am in favor of reciprocity, not only with Canada but with all the South and Central American Republics. In fact, I am in favor of reciprocity with all the nations of the earth. When I am making a stump speech—which I am not doing this afternoon—I define reciprocity this way: You tickle me and I'll tickle you. You trade with me and I will trade with you. And I do not believe that honest trade ever hurt anybody or any nation.

I am not going to try to rival these distinguished orators who have preceded me, because I have not had any time to take away from that debate up there. I see the way you have got this programme arranged, though. You have President Taft for the last, which is on the principle, I suppose, that at the feasts they have the best wine last. Shakespeare says:

"To gild refined gold, to paint the lily,
To throw a perfume on the violet,
To smooth the ice, or add another hue
Unto the rainbow, or with taper light
To seek the beauteous eye of heaven to garnish,
Is wasteful and ridiculous excess."

And I really think that to make a speech, considering those who have gone before and the distinguished gentleman who is to follow, is also "wasteful and ridiculous excess."

On the 4th day of March, 1801, Thomas Jefferson delivered an inaugural which has become a classic and which, if I had my way about it, every boy and girl in the United States should commit to memory as a literary exercise because, among his other excellences, he wrote the best English of any man that ever set foot on the

North American continent. In that inaugural he laid down certain principles on which this Government ought to be conducted, and among other things he declared in favor of "peace, commerce and honest friendship with all nations, entangling alliances with none;" and that has been the mainspring of the action of this Republic toward all other nations from that day until this. He was the greatest philosopher that ever devoted his life to politics, and my judgment about it is that if he had not been drawn by stress of circumstances into politics he would have devoted his life to philosophy and would have ranked in that great field of human endeavor as Sir Isaac Newton, the discoverer of the law of gravitation, with Lord Bacon, the father of inductive philosophy, with Benjamin Franklin, the great American philosopher.

There are two universally admitted standards of human progress. There are a great many other standards, about which there is some dispute; but the two there is no sort of dispute about are increase of population and increase of wealth, and if the population of the Western Hemisphere and the total wealth of the Western Hemisphere increase in the next 110 years at the rate that they have in the last 110 years, in the year 2020 one-half of all the people on the earth's surface will live in the Western Hemisphere, and one-half of all the wealth will be in the Western Hemisphere. So, we are pioneers here today in the great effort to get together and to help each other. True, it is a commercial enterprise; the establishment of the Bureau of the Pan American Republics was a great performance; the selection of my friend, John Barrett, as Director General of that Union was another great performance. I take a good deal of stock in Barrett. The change in the name from The Bureau of American Republics to The Pan American Union was a fortunate incident.

There is no politics in this meeting, either national or international. You gentlemen are here to devise ways and means to increase the trade between these countries, and the statesmen and politicians, whichever you please to call us, always remembering the Hon. Thomas B. Reed's celebrated saying that "a statesman is a successful politician who is dead." But I get a good deal of satisfaction even out of that declaration, because, reading history, I note that some of us who are now denounced and talked about as mere politicians, by succeeding generations will be ranked as statesmen. Now, just exactly which of us that is going to happen to I do not know, but politicians, or statesmen, whichever you please to term us, are here to give you encouragement, to help along. We do not know as much about exports and imports and manufactures as Mr. Farrell, the President of the United States Steel Corporation, who has just addressed you, and as a good many of you do, but we have a general idea about it, and we are willing to help; and if we cannot do anything else, we are willing to encourage you by our presence.

When I was a boy, back in the hill country of Kentucky, I knew an old, rough-and-ready country doctor who said that "the most sensitive nerve in the human anatomy is the nerve leading to the pocketbook;" and I believe that is true, and I believe that a vast amount of good comes out of this Bureau and its efforts to get together closer commercially, and every movement of this kind is for the benefit of the human race, and I believe that this Union and the Hague Peace Tribunal will finally put an end to war among civilized nations; and that is another thing most worthy of striving for.

ADDRESS OF THE PRESIDENT OF THE UNITED STATES, HON. WILLIAM H. TAFT

Director General Barrett then introduced the President of the United States.

President Taft said:

Ladies and Gentlemen: I came here to listen and not to talk, but there are some things that force themselves on a man's intelligence in a significant meeting like this. This meeting and many which are to follow mark the wisdom and the benefit of the generosity which made such a building as this possible. We are all affected by externals, and when one comes into a hall like this, as I did the other day, and found it unoccupied, one cannot help suggesting to Mr. Barrett, as I did, that there are a great many uses that its ownership tempted. I will not go into the list of things that I thought might be done with it, because they might seem flippant and hardly dignified as compared to the use to which the hall is now being put. But

there is a great deal in giving to the Pan American Union a local habitation, dignified and beautiful as this is, and offering every accommodation for a convention of gentlemen who would rather meet in an artistic building and a comfortable building, like this, than in a theater or some other cold place that does not suggest union or harmony or anything else—in the daytime, at least.

The object of this meeting, as I understand, is commercial. It is to give to those who take part information as to the best means of promoting the commercial relations and increasing the commerce between the United States and the other members of the Latin American Union. I listened with a great deal of interest to Mr. Farrell's paper—listened with interest to the statement made by him that the criticisms which I had heard made of American merchants and manufacturers were not justified. I had understood—and I rather thought there was something to it—it may be that American manufacturers are getting over it now—that they felt so much pleased with their work and were so confident of being able to live without going outside of America and the United States, that they did not fit their products to the tastes and desires of other countries, and that they said that if other countries did not like our goods they could be sold at home, and so were not troubled about it.

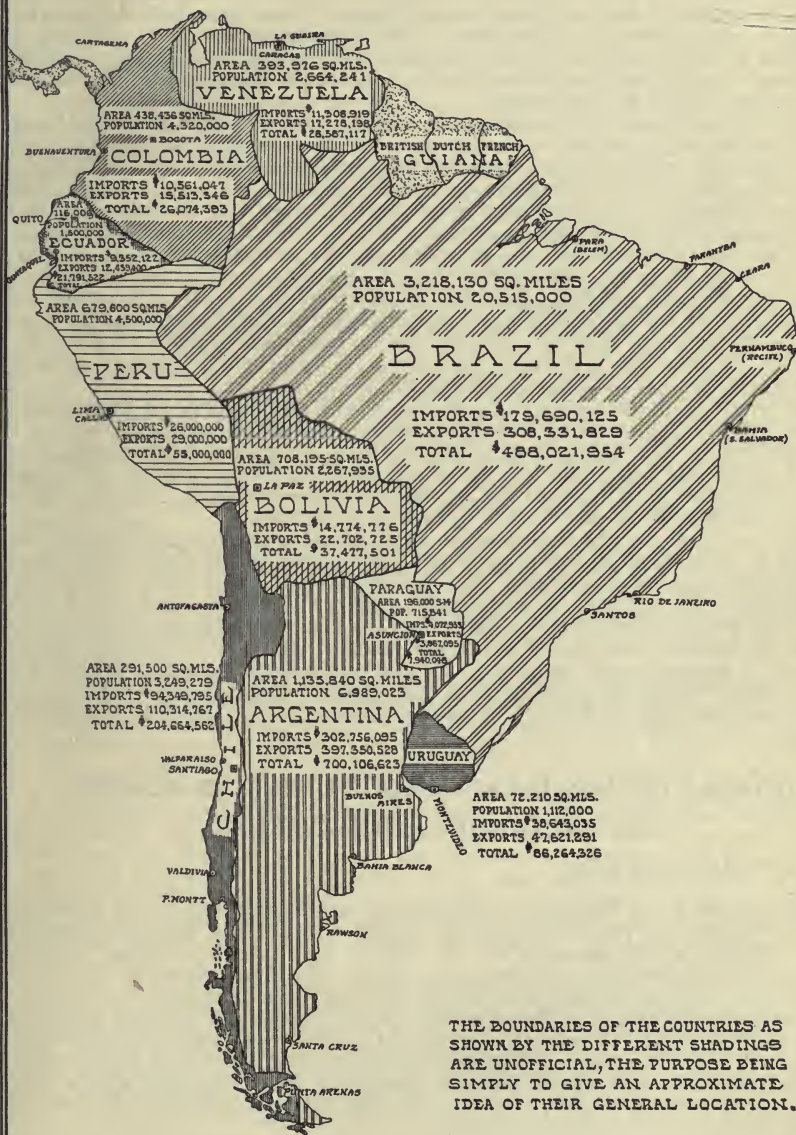
We are changing from a country that raises agricultural products and exports them to the world, to a country that in the near future, unless our production of agriculture increases, will become a food-consuming country, and will depend upon our manufactures for our export trade. When we reach that point, I hope that the American ingenuity and the American desire to succeed in trade will fit our products so that they will attract those to whom we wish to sell more than the products of the other nations will attract those same people. I have confidence in our business ingenuity and business enterprise and business industry to believe that when we are face to face with the facts we can meet them; and I think it would be wise for us to anticipate that time and learn, as such a meeting as this will teach, of the things that those desire who live in the other countries with whom we foster commercial relations, because it is the purchaser that has the option to say what he wishes to buy; it is not for the manufacturer to say what he wishes to sell; that is, if the manufacturer desires to go into the selling business at all.

It is true we ought to have banks in South America, and we ought to have lines of steamships carrying our freight. Just how we are going to get those two things, some of us differ. The last speaker and I have gotten together on one plank of a platform. We are both rather heavy men, and I hope it will support us. But I do not know how many other planks will. It is a great pleasure to be with him in the promotion of trade in any part of the world. He is in favor of reciprocity agreements with all parts of the world, and so am I. But that does not help very much to a definite agreement of reciprocity in the case of any one nation upon which we can agree. We will all vote for honesty and bravery and courage and all the other virtues with unanimity, and we will vote for wise measures so characterized in favor of commerce, but when it comes to determine what those wise measures are or what measures are wise, then is the difficulty. But Mr. Clark and I, in anticipation of his coming to be the head of the great popular branch of the legislature, have at least got together on one very important matter, and I hope we can carry it through.

Commercial relations form the subject of this meeting. The relations of peace, the political relations between the countries, are not under its especial consideration, but it is undoubtedly true that the promotion of commercial relations necessarily brings about closer political and closer social relations between nations, and makes much less likely the hostility and the hard feelings that are likely to lead to war. It may be that the promotion of such relations as a means of promoting peace is through that nerve of the pocketbook to which Mr. Clark referred, but that does not make any difference. Any means of promoting peace that is consistent with honor and principle, we ought to promote, and promote gladly.

The union of the Latin-American Republics has in very recent years shown the possibility of bringing to bear upon countries that were disposed to resort to war the effect of the public opinion—international public opinion—of 21 countries united for the purpose of keeping the peace. And I have no doubt that as our commercial relations become closer, as the method through The Hague Tribunal and by direct negotiation for the prevention of war becomes better understood, the union in this hemisphere of all these countries will be an example to the entire world of what can be done by international union for the purpose of promoting peace.





THE BOUNDARIES OF THE COUNTRIES AS SHOWN BY THE DIFFERENT SHADINGS ARE UNOFFICIAL, THE PURPOSE BEING SIMPLY TO GIVE AN APPROXIMATE IDEA OF THEIR GENERAL LOCATION.

TUESDAY, FEBRUARY 14—MORNING SESSION

The Conference was called to order at 9:55 o'clock A. M. by the Director General.

Director General BARRETT said:

Gentlemen: I am very glad to welcome you here this morning, after the brilliant start that we had here yesterday afternoon. Those were indeed fireworks, and they did a great deal of illuminating. This morning we hope to get down to a little more of the practical side. You have noticed, if you have looked carefully at the program, that the regulations for this Conference are very few, but certain ones there are which we must follow.

On the second page of the printed matter it is stated "The Conference being called upon invitation of the executive officer of the Pan American Union, will have no organization beyond that of the presiding officer designated by him." Also, "That addresses will be limited to ten minutes each to the person leading the discussion. Remarks of others amplifying the discussion will be limited to five minutes each." That is for the purpose of getting as full a discussion as possible. "Following each principal address, questions may be generally asked, to be considered by those ready or competent to do so." I want to say, in that connection, that we have posted a question box below, in which we would like to have persons put questions that can be brought to the attention of the Conference or those competent to answer. "It will not be permitted to introduce, discuss or pass any resolutions affecting the attitude or policies of governments. Adverse comment also upon governments forming the Union will be out of order."

Now, you can see the necessity of this. With the majority of Conferences the time has been taken up in discussing whether the Conference will endorse a certain political policy or not, causing at once those difficulties, troubles and acerbities of debate which are unfortunate and take up a great deal of time; and as we here are the guests, as it were, of the 21 countries, we would be in very deep water at once if we were to attempt to take up policies or politics.

We are here for the consideration of practical conditions surrounding the exchange of trade between North and South America as they are met in the effort to develop the trade of our country with the countries of the south or those countries with us. This morning I am going to start our program with a talk by one of the most practical men in our consular service, a man who has done remarkable work at the different positions he has held in Central America, in Colombia and in Venezuela, a man who will be glad to answer questions, a man who has studied very carefully the conditions controlling the effort to build up trade with Latin America, and this man is Isaac A. Manning, United States Consul at La Guaira, Venezuela.

ADDRESS OF MR. ISAAC A. MANNING, U. S. CONSUL AT LA GUAIRA VENEZUELA

Mr. MANNING said:

Mr. Director and Gentlemen of the Pan American Conference: It is useless for me to express the pleasure or the high honor that I feel in being permitted to address you for a few moments on the subject of our trade relations between the countries that form the Pan American Union. The Latin American Republics and this great republic of ours here in the North should certainly be more closely united commercially than they are at present, because of the many reasons known to all of you. But, as my subject this morning has to deal more directly with relations existing between the countries of Venezuela, Colombia and the United States, where I digress from this main subject you will understand that it is done with a view to calling your attention to such things as may bear the same relation to all the rest of South America in our trade program.

The territory which has been assigned me as the subject of my talk, and regarding the trade of which I am expected to give you some idea, is so great in extent that it is worthy of far more time than I will be permitted to devote thereto. The whole of Europe (leaving out Russia and France) could be set down within the boundaries of the two Republics of Colombia and Venezuela, and they have

four times the area of the State of Texas and form a territory 200,000 square miles greater in extent than that part of the United States lying east of the Father of Waters. Lying as they do almost under the Equator, I know that the average person, in fault of practical knowledge, imagines this as a burnt-up, uninhabitable, inhospitable region, hot, miasmatic, sickly. Yet in Venezuela and Colombia one will find climates as varied, if not as variable, as in North America. There are regions of severe heat and others of perpetual snow within their boundaries. The greater portion of Colombia and Venezuela, however, consists of plateaus where the climate is more or less that of continual spring in the temperate zone.

Here you find a country where may be produced every product of the earth, from those of the hottest tropical to the most desolate ice-clad regions of the poles. A country so rich in agriculture and horticulture, that every grain and fruit of the United States will grow there, and in addition many others which to our climates are unknown; whose mineral deposits are so extensive that the actual known output of gold since the Spanish conquerors first discovered the yellow metal in New Spain has exceeded one thousand millions of dollars, without apparently the workers having scratched the surface; where coal, iron, copper, petroleum and asphalt abound; where platinum, emeralds and pearls are articles of constant export; whose great expanse of territory is drained by thousands of miles of navigable streams, and whose coast lines reach two oceans, and extending nearly the full length of the Caribbean Sea, are of almost 2500 miles in length.

This is simply a suggestion of what is Colombia and Venezuela.

A commercial review of Colombia and Venezuela would be almost identical with that of Central America and the greater part of Mexico. The exportable products of all are more or less the same. Colombia has its side lines of ivory nuts and jipijapa hats, while Mexico has its chicle and fibers and Venezuela its Tonca beans. The main products of all are coffee, cocoa, fruits, hides and rubber, and the demands of the people are largely based on these branches of agriculture. There is some mineral development, but it has suffered neglect in recent years and in just comparison with the resources yet uncovered, it is nothing at present. Manufacturing for export, there is none, so we get back to the fact that agriculture is the basis of their stability and the present principal source of their wealth and purchasing power.

This opens up the range of vision and brings us to the first question: If agriculture forms their commercial basis, is that basis as firm as it might be? Are the farmers or the orchardists getting the results they should? In what way might their agricultural practice be improved, and what is the duty, or wherein lies the interest, of the manufacturer, importer or exporter of the United States in this connection?

In most of the agricultural districts of Colombia and Venezuela the implements in use and the practice are of the most anciently primitive. This is true in the matter of cleaning of land, planting, cultivation and harvest. Such a thing as ridding new ground of stumps of trees, and breaking it with a plow to prepare for seeding, is rarely seen, and cultivation is confined to cutting down the weeds.

One reason for this is that the value of newer methods and of the use of modern implements has never been demonstrated. The thought that two blades of grass may be produced where only one is found now has not been presented to the Colombian and Venezuelan farmer. In this our manufacturers of modern implements and machinery have not made use of their opportunities. Here is where, long ere this, they should have made practical demonstration of the uses of their products and of the adaptability thereof to the conditions in those countries, and this same thing is true of most lines of American manufacture—they all lack demonstration.

Let us look, for example, at the growers of sugar cane. With thousands of acres of excellent cane, the great bulk thereof is ground between wooden rollers, which save but a low percentage of the juice. The juices are boiled in deep earthen pots, and molded into cones or cakes, in the form of the crudest sugar known. Many of these cane growers are wealthy enough and harvest enough cane to warrant the establishment of up-to-date mills with vacuum pans and other paraphernalia necessary to the manufacture of good sugar. They have not put in such plants for reasons quite obvious; no one has demonstrated to them the profit that would accrue by the use of these more efficient methods. What they know they learned from their fathers, and none others have gone near them to show them better methods.

If this is the case among the sugar cane growers, are not the same things apt to be true of the growers of other products? Surely!

I have seen home-made pulping machines in use in coffee plantations where the crop was sufficient to bear the expense of good machinery. I have seen the machete in use where a hoe, a modern plow, a scythe, a brush hook, an axe or a saw would have been far better, and in every way a more effective implement for the work.

One will find the farmer cutting down weeds in his corn field and cotton with a machete where the modern corn and cotton grower uses a plow or cultivator. The work of the machete simply matts the roots of the weeds and gives them a better hold; while that of the plow or cultivator works to destroy them.

Why then cannot you plow manufacturers sell these implements in Venezuela or Colombia or Central America and thus help replace their low grade hand work with intenser cultivation under animal power?

As to why these implements have not come into use there are various reasons—and here not only the plow manufacturers, but other allied trades are interested. First, the Colombian and Venezuelan farmer knows nothing about the use of the plow or cultivator. He must be taught that and so must his hired help. Then his draft animals are oxen, and he has found no way of successfully harnessing them except in a double team, with a yoke tied to the horns. He has never broken the small horses or mules to draft work because he can get no harness to fit them. A few who have essayed this experiment, based on your handsomely illustrated catalogues, have ordered plow and harness, but the latter made for an animal of the size of a United States army mule or a Percheron horse finally did service as an ornament in the shed until the straps were stolen or put to some other uses.

Now this brings me to the point I wish to make. Trade expansion is dependent on more than "hands across the water." It depends on the purchasing power of the parties and on their necessities. Increase their necessities by giving them new ideas, thus creating new necessities. Show our neighbors to the south the utility of your modern implements and machinery; how they can be applied to their conditions, and you will increase their demands by that much, and as they develop their agriculture their purchasing power will as steadily increase.

As to the manner of extending this trade, of bringing those new implements and new ideas to the people of Colombia and Venezuela, you will have to do as you had to do with your own kind in the West, the South and other parts of the United States.

Let some active, rustling, commercial agent, up on modern methods and modern machines and implements, take time to visit a lot of these farms and suggest improvements; men able to tell of the cost, value, etc. Can you not see the results? How many a housewife of this country did all her sewing by hand until some active sewing machine agent opened her eyes to her absolute need of a sewing machine? And that was but a few years ago! In fact, it was but a few years ago that farm machinery and what we are pleased to call up-to-date methods were strangers to the farmer of the United States. He was taught their uses and application by demonstration, and was induced to buy on personal solicitation. When the American farmer had to undergo that transition period, can you expect to sell the South American farmer these things without showing him also? He is as much of a Missourian as any of you. But once shown, you can have his money. Many a Venezuelan or Colombian would establish power plants and mills on his property if he could see what he wants. Many of them fail to realize now that they want these things. They must be taught this. You American manufacturers should have your goods on sale, or at least samples on inspection, in those countries. Send these out on consignment and give some one a chance to present your goods.

I know the way you have felt about the consignment business. You have asked the foreign merchant to please send you a consignment of real money first, and then you have condescended to return him a reasonable equivalent in some line of American goods, with all the possible commissions added. Discounts have even been turned into commissions on some of your shipments on consignment.

Not long ago I heard of a case of a reliable merchant in South America who ordered a sample of some new machine for trial, to see if it could be used in his trade, and the American manufacturer was so pleased at getting the order that he charged the merchant the regular retail price for the machine with commissions added to that.

That certainly is not the way to extend your business.

Fix in your mind one thing as the principle of South American business, and immediately disabuse your mind of any idea to the contrary. South America's merchants are bright business men, capable, careful, commercially trustworthy and reliable. They are open for new business and new ideas, and will help you to introduce new goods, but they rightly think the risk of establishing new fabrics should be more equally divided between the exporting manufacturer and the importing merchant than your old-fashioned demands for cash in advance provides.

You must send your samples and demonstrate them, and orders can be gotten for anything as a result of that kind of work. Of the thousands of dollars spent in useless catalogues, why not divert a part at least to sending out commercial travelers with samples? And in this I refer to manufacturers of all lines of American goods. For it is not machinery alone that you want to sell to the South. Every other line of manufacture is taken in a more or less considerable quantity, and the manufacturers and merchants of the United States are behind their European competitors for the reasons set forth above, and because you fail to demonstrate your goods in the open markets of Colombia and Venezuela.

Here is the evidence of this: In 1908 the United States took \$6,845,000 out of \$15,142,000, and in 1909 \$6,299,000 out of \$16,620,000 of Venezuela's exports, or about 40 per cent. During the same years the United States sold Venezuela \$2,525,000 out of \$10,170,000, and in 1909 \$3,265,000 out of \$10,120,000 of imports into that country, or only 25 per cent. Now that proportion was not reciprocal. And the same was true of Colombia, which in the year 1908 exported to all countries \$14,998,734 and imported \$13,515,000. Of principal exports from Colombia in 1906-7, valued at \$14,382,000, the United States took \$9,516,920, \$7,720,875 of which was coffee, a non-revenue paying import. Nearly all we take from Venezuela is non-revenue paying and most of what we take from Colombia. In fact, the only dutiable product of either country worth speaking of imported into the United States is the "Panama" hat and the banana, both from Colombia. Under our tariff conditions it would seem we ought to export them more of their purchases. But one who has been through those countries and has studied trade conditions immediately comprehends why we have failed to get what we feel we should of their trade.

I know it has been said that England and Germany sell goods cheaper; they also sell cheaper goods. This is not the reason. It has also been declared that Germany, England, France, Spain and Italy give long time credits. Now that depends on what you call long time credits. The ordinary credits are from ninety to one hundred and eighty days, and that is not a long period of credit in any agricultural country. I remember when I was a boy in the West the ordinary country merchant carried his corn and wheat producing customers for a year and took the crop for his pay; and the wholesaler carried the country merchant the same way. Some few of those country merchants may now and did then discount their bills. A great many of the South American merchants discount their bills today. But they like the compliment of the privilege of doing so at least, and do not like to be told to "stand and deliver" before forwarding them goods. This is part of the reason. Their credit is good in Europe because they pay their bills. The same reason should make it good in the United States. Our manufacturers have been sitting idly by and waiting for the trade to come to them. They evidently do not realize how much it is worth having and therefore worth going after. They want orders from their South American neighbors, and if their orders come accompanied by the cash and do not entail some departure from their ancient customs in packing, manifesting, etc., perhaps the manufacturer will let some commission house ship the goods. But wide-awake North American firms, prepared to go abroad "gunning" for business, are entirely too rare.

Since April 24, 1909, I have had about 700 inquiries from manufacturers and merchants of the United States as to opportunities in Venezuela. During the same period I have met very few travelers, including one man representing a large electric manufacturing company, three or four representing exchange and commission houses in New York; one working with catalogues of furniture, jewelry and three or four side lines (but no samples); a representative of the shoe machinery trust, whose idea is to rent machines in the country, and a few others; but only one American dry goods or cotton goods man, and he had two telescope valises full of samples of prints.

During the same period English, French, German and Spanish travelers have visited the countries of which I speak prepared to sell goods from samples, for the

display of which many of them required several good-sized sample rooms.

The American travelers who have visited these Republics have done business, but not what they should have done. Most of them are too "skimpy" of their time. Many of them have no knowledge of the language and less of the commercial habits and customs of the country. What is needed is special instruction in the schools of this country in the Spanish language, Spanish-American geography, history and social and commercial customs, with post-graduate schools for commercial preparation. At the end of a year or two after establishment of these, you who are interested might have a few young men from whom to draw at least the nucleus of the army of South American trade expansionists which you are sure to require within a short time, for it is useless for you to send commercial travelers to South America who cannot speak the Spanish language.

I have given you an idea that the gross value of foreign business in the two Republics is fifty millions of dollars per annum; I have told you that of the exports from Colombia and Venezuela we are the principal recipients, and that in competitive imports into them we are far in arrears. Let me explain this a little further. For example, in the line of manufactured cottons we, the greatest producers of cotton, sell Venezuela and Colombia less than ten per cent. of their purchases. This proportion can easily be increased by careful attention to the trade, but *only* in this manner. European manufacturers have this field, because they have made the endeavor. Their travelers go to the countries with full lines of samples; the merchants buy of them because they know what they are going to get. Let our cotton manufacturers put capable travelers in the field, with as complete lines of samples, and there is no reason why American cotton goods cannot more than meet the European competition.

The average buyer wants to see what he is going to get, the same as does the average home merchant, and so long as the cotton manufacturers of the United States or the cotton goods jobbers fail to show samples, so long will our trade in manufactured cotton with our southern neighbors be our disgrace.

In the cotton goods trade it is not so much that our goods are too high grade. We should have some cheaper lines, and we might meet the European competition by doing what these competitors do; split some of our wider cotton goods, providing a cheap yardage, by saving the extra expense of the selvage. But there are other causes for our small sales. In any line of foreign trade the manufacturers and jobbers of the United States must make up their minds to meet European manufacturers and jobbers on their own ground. You are too late on the field of battle to lay out its plan. The European has done that, and your battle will have to be fought along his lines now, whether you like it or not. You cannot compete with a trade that takes advantage of every little trick possible to beat you, and also goes into the country to be conquered and makes the fight there without meeting your competitor at his every point; and if possible by introducing some new tricks that go your adversary one better. One complaint cotton goods importers of Venezuela and Colombia make is that there are in American cotton fabrics no staple lines in which they can have repeat orders filled as they can in Europe. They complain that American cotton goods manufacturers fail to realize that there is a large trade in South America which calls for certain staple colors, widths and weights in prints all the time. These people have bought prints in certain styles, patterns and widths at ten cents per yard so long that they would not know how to change. And this trade makes up, safely, fifty per cent. of the cotton goods purchases of not only Colombia and Venezuela, but of South America, and amounts in round numbers to fifty millions of dollars per annum in all the countries of that continent. For this trade England, Germany, France, Spain and Italy all keep looms running constantly weaving these staple goods, and Mr. Merchant of Caracas or Bogota can cable for so many pieces thereof at any time, knowing that the order will be filled by the next steamer. But not from the United States. Oh, no! Those merchants of Bogota and Caracas don't want to trade our way, so we let them go to Europe where things are as they are, and therefore satisfactory to Mr. Merchant.

Now the other South American class who buy better cotton goods; could and would buy your fancy patterns even with their kaleidoscopic changes; also take fifty million dollars' worth of cotton manufactures a year. *Surely* the American manufacturer has done something to get this trade? *Eh? What's that?* You only sell South America five per cent. of her total import of cotton goods? Oh, my! But cotton goods is not the only line we are failing to sell in Venezuela and Colombia. They are great importers of wines, and I have yet to see a bottle of

California claret or other wines from the United States on sale in either country. We make porcelain-ware and glassware in this country, but Germany sells the bulk of these two articles there. Beer and empty bottles are almost all supplied from Germany, and liquors, liqueurs or cordials, generous and sparkling wines, for all of which there is an excellent demand, come from England, France and Spain. Germany exports Danish butter of good quality, in tins, and it finds a ready sale. Some few efforts to bring in American butter in the same form have not proven successful. Yet there is a demand for butter—not for oleomargarine or other imitations, and it is up to the American manufacturers to fill it.

Hats, men's especially, should be sold from the United States to Venezuela and Colombia, but the trade must be gone after. It is not being overlooked by anyone wanting to sell hats except the "man from Danbury," and other towns where they make them in the United States.

Mirrors, ribbons, art works, silver and tinware, linseed oil, oil lamps, nails, kitchen utensils, stoves and countless other things are in the same category as those above. The trade is there, ready at hand, geographically yours, but you would none of it, because it wanted your consideration in styles, patterns, attention to details of packing and shipment, and you had no time. Now it is get in and fight for it if you would have it. By doing so you can get it yet, but do not expect it all in one year, nor from one visit of your traveler—for I take it for granted *now* that you will all send travelers into the South American field.

DIRECTOR GENERAL BARRETT: Now, gentlemen, I want to illustrate the practical work of this Conference. I desire any man here now who wants to ask Mr. Manning any practical question to do so.

MR. S. KRAUSZ, Miehle Printing Press Mfg. Co., Chicago, Ill.: I would like to know especially, the proportion of illiterates to the educated class of the public, and in what way it affects newspapers and the printing trade in general.

MR. MANNING: The exact proportion I cannot give you. The proportion of the illiterates, of course, in those countries is very large, and the newspaper trade is confined to the people of the cities more generally. In the city of Caracas—perhaps the best illustration would be to tell you this—in the city of Caracas there are two principal daily newspapers, *El Tiempo* and *El Universal*, which have a combined circulation of about 14,000 in a city of 80,000 people, but they supply also the town of La Guaira and towns down the Central Railway as far as Valencia, Victoria, and down in there—quite a material circulation. The number of illiterates, I should say, would be as high as 65 per cent., at least.

DIRECTOR GENERAL BARRETT: It would vary according to the district?

MR. MANNING: Quite so, indeed.

MR. KRAUSZ: I take it for granted that in those two countries there would hardly be a market for type foundries, printing presses, job presses and things like that.

MR. MANNING: I do not see why not. The government has a very large printing establishment in Caracas—I speak advisedly, because I know the newspaper business; and one of those papers has just put in a battery of linotypes—I think three. There are a number of job printers; there are five or six other small daily papers published there and several weekly papers and a monthly magazine, three or four literary reviews; and the same thing is true at Maracaibo. In Maracaibo there is a magazine published monthly and two or three weekly papers and one daily. There is hardly a town of any importance in Venezuela that has not its daily newspaper, and the same thing is true of Colombia. I do not know so much about the newspapers in Bogota. In Cartagena there were two daily papers at one time, while I was there, and then one suspended temporarily; and Barranquilla has two dailies, and one or two other reviews were published there.

I should say that, considering the size of the reading public, the opportunity to sell that kind of goods would be very good.

MR. GUMPERT, of S. Gumpert & Co., Brooklyn, N. Y.: Would it pay to send a baker's supply salesman to Venezuela and Colombia? Is the baking done there by the families, or do they have regular bakeries as in this country?

MR. MANNING: I should say that 90 per cent. of the bread users of Venezuela and Colombia buy their bread from the bakeries. Yes, I should say more than that—I should say 97 per cent. would be even too small, because very rarely you find ovens in use among the families. Of course, in the country the average person there uses corncake or hoecake, and they do not use much bread; but all the flour that is sent into Venezuela and Colombia is made up into bread, and the greater portion of it made up in public bakeries.

MR. KRAUSZ: Is the baker a foreigner or a native?

MR. MANNING: Not always a foreigner nor always a native. In Caracas and La Guaira the principal bakers happen to be Italians. In Cartagena, Colombia, there are several bakers that I knew who were natives of the country, who were Colombians, and there are some Venezuelans who are in the business in Caracas.

MR. GUMPFT: Do you think it would pay to send a man through there?

MR. MANNING: Absolutely.

MR. F. B. PURDIE, of R. G. Dun & Co., Buenos Aires, Argentina: I would like to ask Mr. Manning a question regarding any serious complaints he may have heard about the packing of goods arriving in Venezuela or in Colombia from the United States.

MR. MANNING: That is a question that is very important. There is very little complaint, I am glad to say, about present-day ordinary packing methods; but there is one great point wherein our American manufacturers are lame, and that is in following absolutely instructions as to joining of goods. In Venezuela, for example, so that you will understand thoroughly my point, the tariff is based on nine classifications, and every article in any package pays the tariff rate of the highest classified article in the package. Do you get the point? For example, a man writes to you, say, for a line of goods, some of which are classified down as low as second and third class, which might be a franc per kilogram, and some of the goods—a small package—it might be jewelry or something of that character, which he would think it just as well to go in this big box and that there was no use of making a special box, and he would put into that same case a little package of jewelry, as I say, or a small knit undershirt, which pays two pesos, plus 55 per cent. surcharge, or twenty francs, plus 25 per kilogram, to bring in their goods. Just one single piece of ready-made clothing, a child's stocking, for instance, is all that is necessary to make a great big threshing machine pay the ninth classification under the Venezuelan law.

MR. D. LINDEMAY, of Eugene Dietzgen & Co., New York city: Mr. Manning just stated in his formal address, Why don't the American manufacturers send samples to one or two merchants upon consignment, for demonstration? I would like to ask you, how can a manufacturer who is willing to do this find such merchants who are not only reliable, but who have sufficient experience in the handling of this machine so as to insure their being able to demonstrate it successfully? In the case of machinery, or surveying or engineering instruments and things of that character, in which there is a strong German, French and Italian and practical European competition.

MR. MANNING: The only way that you can get at that at present is either through your consular or diplomatic representative, who will surely be glad at any time to send you a list of merchants from whom you may select, and I think I can say one thing right here in that connection that perhaps would be of interest, that I believe the average man in the Consular service, in sending a list of merchants to any inquiring manufacturer, uses his best care and judgment to select only the names of such men with whom you can possibly do business. The amount of their credit depends on you, because a consular officer cannot find out just to what extent you could extend credit or anything of that kind, but I am pretty sure he is not apt to give you any name of a business firm near his post whom he does not think reliable up to a reasonable point, at least that they have a commercial reputation.

The other point, as to how to get at the right man—that is a little bit difficult, unless you do as I have said, send your travelers to learn the country. Sometimes we will get, I hope, American banks in those countries that can answer satisfactorily and fully any question that might be asked regarding any man in business in those countries, who can make it their business to give this information.

DIRECTOR GENERAL BARRETT: This question is asked by Donald Tulloch of the National Metal Trades Association, Worcester, Mass.: "What field is there in Venezuela for sale of machine tools, like lathes, planers, drills, grinding machines, etc.?"

MR. MANNING: The Venezuelan Government has a very large dry dock at Puerto Cabello. There are shops at Caracas for both the German railway and the British railway running from Caracas down to La Guaira, and the German railway running from Caracas to Valencia, and for the Central railway; and then there are a number of large shops in Caracas, where such tools are used. The electrical plants everywhere have occasion for the use of that sort of machinery, and you will find that nearly every town of over 10,000 people in Colombia and Venezuela can use some of the machines of that character. I met in the shops at La Guaira, which

are under the operation of the British company, a British master mechanic, and where also there are some splendid American tools and machines, and this British master-mechanic said: "We do not turn out anything like that;" and the Germans every once in a while buy an American machine, because they find something that fits their particular case. Patriotism reaches only the point where it pays.

MR. P. R. CLARK, of the Gen. Fire Proofing Co., Youngstown, Ohio: We have heard from year to year of American manufacturers who have established local agencies in South America, to which they have successfully exported their products.

MR. MANNING. I cannot see any reason why if that has proven successful in other countries it should not prove successful in Colombia and Venezuela. As a particular example of what can be done in Colombia and Venezuela, we have a man in Caracas who a couple of years ago conceived the idea of going into business. He was a newspaper correspondent, and he secured the agency for a standard American typewriter, and there was then only an occasional typewriter in use in that country, and today they are all over Venezuela. He sold a lot of them. He took at the same time the agency for one of the standard piano players, and he is selling them everywhere. He goes into a man's house and gives a concert in the evening. He has the man bring in a lot of his friends, and even goes to the point once in a while of sending in a case of liquid refreshment to kind of make the time pass more pleasantly; and that piano could not be pulled out of that man's house with a team of horses. Six months ago there was not a cash register in Caracas, and today there are sixty-five. Now, why can you not do business in Venezuela? All you want to do is to get your man, the right one, and send him there.

QUESTION: Is it necessary to establish exclusive sales agencies in order to obtain distribution?

MR. MANNING: I do not see why. Of course, if you get the right kind of a man it pays to give him exclusive sale of an article. I would rather have one man doing all the business that his shelves will let him do than have ten men letting the goods rest on their shelves.

MR. FRANK LA LANNE: Mr. Manning—

DIRECTOR GENERAL BARRETT: Mr. La Lanne, president of the National Board of Trade, is recognized.

MR. LA LANNE: During a business experience of forty years we have made some experiments as to the catalogues, price currents which went by mail, and the special salesmen carrying our own line of goods and none other through all parts of the United States. We sell in every State, and we found the special agent was the only way to increase our business, and our plant is now doing \$4,000,000 in a year in American goods, and we sell all we can make, but we are hoping in the near future to send some men to South America. You advised, and I was so glad to hear it, very earnestly that the firms who were big enough and progressive enough would do better business if they would send their own special salesmen, speaking the Spanish language, to visit personally the dealers in American goods. I understood you to say that. Am I right?

MR. MANNING: Yes, sir.

MR. LA LANNE: And we thought that plan was correct, with the idea of our ambassadors, ministers and consuls to extend our trade very largely, and we are expecting to send some agents to South America. May I ask you to emphasize that a little, sir?

MR. MANNING: I thank you very much. I think that that is absolutely the plan. I think the plan is to send your men into the country and let them go there and meet with the merchants of that country and stay with the merchants of that country until the merchant knows what to do with the goods.

MR. LA LANNE: That is the point.

MR. EDWARD A. DEEDS, of the National Cash Register Co., Dayton, Ohio: In answer to that question which the gentleman asked a moment ago, whether they could get representatives, I should say by all means get some one that handles your goods exclusively, and, furthermore, you will have no difficulty in getting some of the methods and go back and put into force the same policies that we put into force in this country, and in that way we are getting practically the same methods of handling our business there as we have in this country.

DIRECTOR GENERAL BARRETT: That is very good information. Mr. Appel of Philadelphia asks what effect climate in South America will have on pianos made in the United States.

MR. MANNING: Just exactly the same as it will on pianos made in Germany.

MR. JOSEPH H. APPEL, of John Wanamaker, Philadelphia, Pa.: Are not the German pianos made especially to meet the effects of the climate down there?

MR. MANNING: Some of the German pianos are, but with all that the German specially made piano cannot sell in the face of the American piano. I have today in my house a Steinway piano that has been in Venezuela for fifteen years, and I bought it a couple of years ago, because it was possessed of a splendid and magnificent tone. I think it is just as good today as the day it went out of the factory, excepting that it is a little bit scarred up with the ravages of time. A well-made American piano will stand the climate there just as well as it will stand the climate in the United States.

MR. H. P. STRATTON, of Stratton & Bragg Co., Petersburg, Va.: Is there a market in Venezuela for small portable steam engines for farming purposes?

MR. MANNING: That is one of the points I touched on a while ago. There is a market there to be made, but you have got to make it. The farmer of Venezuela does not know much about the portable steam engine, and he does not know in what way he can make use of it. Once in a while you find one who is making use of those things. In a great many places there is plenty of water for water-power.

There is where you need to send a man to show the Venezuelan farmers and Colombian farmers what the machinery can do to make it of value to them. If you will do that you will sell them the goods.

MR. PHANOR J. EDER, of Washington, D. C.: Just a suggestion along the lines of exclusive agency. You must not get them with one qualification for the whole country. Different sections of the country are as different as the States are from Alaska, and you must give them exclusive agencies for each particular section of the country, and not for the whole country at large.

MR. LOUIS RAPOSO, of Philadelphia, Pa.: In regard to the exclusive agency, there is a good effect and a bad effect, but probably the best way is to place a minimum of sales, and in that way from year to year if the agent makes good he continues, and if he does not, take it away and give it to the proper man.

In regard to pianos, it is very true with respect to Brazil that the manufacturer has to consider the climate, and special provisions have to be adopted in those which go to the Amazon section and that of the Rio Grande, and the Solimoens, too.

MR. T. C. CLIFFORD, of the Pittsburg Meter Co., Pittsburg, Pa.: Are water and gas meters used in Peru and Argentina? Are they manufactured there, in Europe, or the United States?

MR. MANNING: There is at present no gas plant in operation in Venezuela, although there was a few years ago and they are talking now of rehabilitating that and establishing it. If some one should go down there and show them how they could get consumption for gas, by taking down a good line of gas stoves and introducing them, the gas stove would naturally introduce the gas meter at the same time. As to the water service, they are not using meters at any place that I know of, but they should be in use in nearly all those places. Meters would be a great assistance in the furtherance of sanitation, because it would prevent people from allowing their spigots to stand open and thus form pools of water around, in which the mosquito breeds.

DIRECTOR GENERAL BARRETT: Our specialists and experts will answer any questions as fully as they can. We cannot go on longer with this discussion. We have learned more in a few minutes than we could otherwise in a much longer time. Mr. Manning, we are very grateful to you and we shall call upon you again later, and I hope we may have other questions to ask you.

Gentlemen, I have particular pleasure in introducing his excellency, the Minister from Peru, Mr. Felipe Pardo.

ADDRESS OF THE MINISTER FROM PERU, MR. FELIPE PARDO

Mr. PARDO said:

As representative of Peru, I shall allow myself to make some brief observations in respect to the present commercial situation in my country, for the purpose of assisting you in the investigation which you have imposed upon yourselves in seeking the means to develop commerce between the United States and the countries

of Latin America. I shall attempt to be concise in order to merit your attention, and shall not forget that you are here to secure useful data and not to hear literary discussions.

Much has been written and spoken in these late years in regard to the causes which make difficult the expansion of the commerce of the United States with Latin America and of the means which should be employed to counteract the same; but there has not been given the detailed study of the economic and commercial situation of the American Republics that importance which it has in the accomplishment of the object sought. Therefore, I shall assume that you will be interested in knowing the facts which I am about to lay before you regarding Peru.

The larger part of Peruvian commerce is with Europe, to which is sold sugar, cotton, wool, coffee, rubber, gold, silver, copper, etc. To the United States is exported only copper in the bar, which one American company produces, straw hats and some other insignificant products.

Peru imports from Europe in considerable quantities such articles as it does not itself produce, and from the United States, principally steel rails, agricultural implements, sewing machines, iron and steel plates and wire, lumber, flour, boots and shoes, and drugs.

Peruvian capital is engaged in developing, whether alone or assisted by European capital loaned by commercial houses, a great part of the national production. There exist also strong foreign enterprises operating with European capital, sugar estates, cattle ranches, mines and other industries, and two American mining enterprises of importance—the one exploiting copper and the other gold and rubber.

We have a number of Peruvian banks and one German. The strongest of the Peruvian banks has a large part of its stock held in Europe.

All the railroads were constructed with European capital. Obligations and bonds of Peruvian electric power and lighting companies, telephones and street railways, steamship wharves, etc., are held and quoted on the European exchanges.

The business of exportation and of importation is carried on by means of Peruvian, German, English and Italian business houses. There is also one American house, among the most important in Peru.

Steamships transporting passengers and freight between Peru and other ports of South America, Europe and the United States, carry Peruvian, Chilean, English, German, Japanese and Italian flags.

The European market for the sale of our exports and for the purchase of the manufactures which we import is preferred to that of the United State on account of the better price which our products command in Europe, and the lower price at which we may there procure those articles which we require; to more frequent communications; to lower freight rates; to the fact that the commercial houses which control the Peruvian commerce and which make concessions and loans to exporters and concede long credits to purchasers of the manufactures entering the country are European, and finally to the influence of European capital invested in Peru.

This brief exposition will enable you to appreciate how strong and deep rooted are the commercial bonds between my country and the European countries, while at the same time it may make you reflect upon the causes which bring about your disadvantageous position and of the measures which you might deem convenient to put into practice in order to increase your commerce with Peru.

While it not within my province to make a study of these measures, the mission which I have—to strengthen the relation of every kind which may exist between your country and mine—imposes upon me the duty of bringing to your attention some considerations which perhaps may facilitate this study.

The commerce which most interests you is that of exporting your manufactured products to South American markets which now are supplied with European manufactures. In order to make your entry into these markets it would be necessary that you do those things which the Europeans have done: invest capital which will stimulate production; transport in your own vessels South American products; facilitate the sale of these in your markets on advantageous conditions, and sell your manufactures in South America at prices which will compete with European prices.

The investment of capital by you in countries like Peru would result in a few years in a great increase in the consuming power of the country. Our commerce is not in proportion to our population, for this population neither produces nor consumes that which it should. In order to develop it, it is necessary that we con-

struct more railways, exploit on a large scale the mines, the deposits of coal and of salt, the petroleum and the rubber industry; establish copper and iron smelters; build large central sugar factories; extend the cultivation of cotton, of cacao, and of tropical fruits; develop the production of sheep, alpaca and vicuna wool; irrigate large belts of land along the coast which formerly were irrigated by the ancient Incas. All this offers a vast and remunerative field for American capital.

The development of the country would produce a larger consumption of foreign manufactures, and the United States, linked thereto by the capital which it may have invested, will find itself in an advantageous position to supply these manufactures.

But perhaps it would not suffice that Peruvian production increase, owing to the investment of American capital, in order that an active exchange with the United States be developed, for it might happen that Peruvian exported products might always find in Europe a more advantageous market, where they would be exchanged for European merchandise sold to Peru. In order that the United States may through its invested capital be benefited by the productive development of my country and supply us with its manufactured products, it is necessary that our exported products shall command in this country a price as favorable as that which Europe offers us for them.

This might be accomplished if you found it fitting to make reductions in your customs tariff in favor of the agricultural and mineral products of Peru, where likewise reductions might be made in our schedules in favor of certain American manufactures. This question of reciprocity, which interests you more than it does us, for in the world market of today it is more difficult to find buyers of merchandise such as you have to offer than of natural products such as we produce, is, perhaps, one of the conditions upon which depends your commercial expansion with my country and with all of Latin America. You should consider whether or not it comports with the policy of the United States that countries like mine devote their energies to the production and exportation of natural products, which can be sold easily and at a fair price, instead of applying themselves to the development of the production of manufactures protected by high customs duties against similar foreign goods, production which, if it shall extend and increase in proportion to the progress of the Latin American countries, will surely make difficult the sale therein of American products. As a matter of fact, for example, there is now produced in Peru almost the whole quantity of certain kinds of cotton fabrics which formerly were imported from England.

In the matter of reciprocity, we shall not be able to go so far therein as yourselves; that is to say, we shall not be able to proceed to complete liberation from customs duties on all American manufactures in exchange for that total liberation which might comport you to concede, or for us to demand, on all our agricultural and mineral products, for two principal reasons, *i. e.*, because our chief fiscal income is derived from customs, and because we have already a good market in Europe for the sale of our products. Likewise, many of the South American countries have existing treaties with European powers containing the "favored nation" clause, and it would be necessary to denounce these treaties in order to come to an agreement with the United States.

You are availing yourselves of a very favorable opportunity for the discussion and establishment of the foundations of your future commercial expansion in South America, because the South American countries are not at this time manufacturers, are not your competitors in this branch of industry as is Europe, but producers of food products and raw material needed in the industries. So under these circumstances you encounter today fewer difficulties in the establishment of an advantageous system of reciprocity than you will find later, when there shall have been developed in our countries industrial manufactories under a system of protective customs tariffs.

Another indispensable factor towards the development of Pan American commerce is the establishment of steamship lines between the United States and South America in competition with European lines trading between Europe and South America, since but little would American manufacturers profit from the tariff advantages which might be secured for the introduction of their products if high freight rates should prevent the sale of their goods at prices at which other similar goods are sold. Neither would the South American exporters profit from the concessions which might be granted them for the sale of their products in the United States. The establishment of American steamship lines would be important in

order that, the Panama Canal being opened, there shall pass through it more ships under the American flag than now pass through the Straits of Magellan carrying American manufactures to the Pacific coast.

The establishment of steamship lines is important not only for the transport of products, but also for the transport of passengers. The communication of swift ships between the ports of the United States and those on the Southern Pacific, from Panama to Chile, will make easy for business men and commercial travelers the going in person to study these markets; will enable statesmen and scientists to put themselves in personal contact with the influential men to South America; will offer an opportunity to persons fond of traveling to visit new countries containing incomparable natural beauties and interesting remains of ancient civilizations, and finally will stimulate streams of immigration which might in a few years change the economic situation of the western coast of the South Pacific.

Another beneficial result of rapid communication would be the building along the coast of fine hotels with all modern conveniences. These hotels would naturally become winter resorts for those seeking a climate different from that of the United States.

Peru, which will be one of the countries most benefited by the Canal, since its ports will be within 4000 miles of Europe instead of the 10,000 miles which now separate them by way of the Straits of Magellan, and within 2,500 miles of New Orleans, is extending its merchant marine and preparing its ports for the development which it hopes for in maritime traffic. We have one national steamship company, with two ships of eighteen knots and three of twelve, which go along the coast to Panama, established with Peruvian capital and subsidized with \$150,000 a year by the Peruvian Government. This company owns a floating dock in Callao for ships of 12,000 tons.

The franchise and monopoly which for many years a French company has had in the loading and unloading of vessels at Callao, granted by the Peruvian Government in exchange for the great port works executed by this company, will expire soon, and then there will be built new wharves and there will be reductions in the cost of the shipment and unloading of merchandise.

The Peruvian Government is also placing lighthouses along the coast in order to make navigation more secure. In brief, we are in a situation, the Canal being opened, to take care of the increase of traffic and to make the same profitable for the interest of the Peruvian Government and people.

I do not wish longer to detain you, but before concluding allow me to call your attention to another factor of international character which will exercise in the development of Pan American relations as much or more influence than those which I have had the privilege of pointing out. I refer to the necessity that peace be maintained among all our Republics. American public opinion is called on to procure this *desideratum* by that consideration which it inspires in all the countries, and by the example which it gives us of respect to the right of the weak and of acquiescence of international judicial decisions.

I thank you for the opportunity which you have given me of making these remarks, which may contribute to the expansion of Pan American commerce.

DIRECTOR GENERAL BARRETT: Gentlemen, that excellent speech by the Minister of Peru will be fittingly followed by the address that we have here from one of the Charge d'Affaires of Argentina, who has come in since I last made the announcement, who asked that one of our staff shall read his paper. When that is concluded we will have questions asked in regard to both Peru and Argentina. I will ask Dr. Albert Hale to read the remarks of Mr. Jacinto L. Villegas.

ADDRESS OF THE CHARGE D'AFFAIRES OF ARGENTINA, MR. JACINTO L. VILLEGAS

Mr. VILLEGAS said:

I will express in a few words what I consider advisable and indispensable for the encouragement of the commercial vinculum between the United States and the Argentine Republic, since their political relations, as His Excellency, President Taft, said in his last message to Congress, have never before been so important nor upon so solid a basis as at the present time, owing to the policy of approximation to the

sister Republics that, with laudable solicitude, is pursued by the Honorable Secretary of State, Mr. Knox.

The Argentine Republic has a foreign trade of seven hundred millions, principally with Europe. Last year she bought in the United States to the amount of \$43,000,000, or including the contracts for the building of the battleships, railroad rolling stock and other items, to the important sum of eighty odd millions. On the other hand, our sales here are insignificant in comparison and out of proportion with the considerable increase during the last few years of the sales of articles produced in the United States, in the Argentine market.

The exports of the United States to the countries of South America reach up to \$76,000,000 in gold, of which, as I have said, \$43,000,000 belong to Argentina, with a very large balance of trade in favor of the United States.

These relations, as can be seen, have no economical commercial reciprocity whatsoever, because, although the Argentine market offers an ample field to the exports of the United States, the same is not true of Argentina's exports to this country. Thus, we see in Argentina the imports from the United States grow rapidly and continuously, jumping in less than no time from \$28,000,000 to \$43,000,000 in gold, whilst the Argentine exports to the United States increase only very gradually and spasmodically. This extraordinary inequality is explained by the fact that the United States provide Argentina with articles which we do not manufacture, whilst the Argentine products find here similar ones, protected by the high tariff.

This noticeable inequality is an obstacle to reciprocity, for, to insure a normal expansion of trade, it is necessary to sustain it by harmonic factors of approximate equivalence.

If one of the countries fails to meet this requirement, the other is compelled to stand the consequences.

This means that the commercial relations between the United States and Argentina can be strengthened and developed only by the attraction of reciprocal interests, as is the case with Argentina and other countries. With England, for instance, there is perfect and spontaneous reciprocity, since England buys from us the greater part of the Argentine agricultural production, and in exchange we buy from England, in relative proportional amounts, her merchandise. The same thing happens with Germany and France, and for this reason the figures of interchange increase constantly and even in the imports and exports respectively.

With the United States the situation is very different. Argentina does not sell to this country corn, flax nor meat; our exports to the United States being limited to hides, some wool and extract of quebracho, very much needed here in the tanning industries of footwear and saddlery.

Hides and extract of quebracho, the least important ones of our production, cannot increase our interchange sufficiently to give it impulse and solidity.

If the United States are to occupy an advantageous position in our market, they must gain it through their financial influence, which is also a means of bringing about closer relations. This country needs to supply capital for business; to invest its cash there; to spread it throughout Argentina, as England has done, for a long period of years, during which her commercial relations were at the lower steps of the business ladder; but, thanks to her strategical and farsighted financial policy, England has attained her high standing of today.

France and Germany are maneuvering for and displaying a similar financial initiative by sending to Argentina large amounts of capital devoted to enterprises and to industries that, whilst they are yielding large dividends, prepare and equip their owners to confront with advantage their coming rivals.

The business men of the United States find themselves in identical conditions for initiating the conquest of and rivalry for those Argentine markets by a financial plan of introduction and application of capital to increase their influence and their vinculum, and at the same time compel the United States Government to facilitate the interchange now disturbed by a restrictive regime as to our products.

As I have referred to the market offered by England to the Argentine production, I will permit myself to state here some figures which confirm my previous assertions.

According to the last Consular reports at hand, the Argentine Republic occupies in England first rank as an exporting country of beef, frozen and in refrigerators; since, from a total value of 50,717,015 gold dollars, imported into England, the Argentine Republic contributed 33,667,865 gold dollars, the total amount exported from various sources to England being 303,909,950 kilograms, of which

210,407,750 kilograms came from the Argentine Republic; that is, about two-thirds of the total importation of said products into the United Kingdom during the year of 1909.

In lamb and mutton the Argentine Republic occupies in England the second rank, with 71,880,400 kilograms, introduced there in 1909, representing a value of 10,124,445 gold dollars in the statistics of the Government of His Britannic Majesty.

As regards wheat the Argentine Republic has exported to the English market 1,189,000 tons, valued at 46,422,505 gold dollars, in a total of importations into England of 4,892,721 tons, which represent a value of 226,370,655 gold dollars. It therefore occupies the first rank among the countries exporting wheat to England, and greatly exceeds Russia, the United States of America, Canada and British India.

Over one-half the total importation of corn into the United Kingdom comes from Argentina, and of the value of 60,614,060 gold dollars represented by that total, 34,207,600 gold dollars belong to Argentina. Therefore, Argentina takes first rank.

In regard to flax the same thing happens, since one-half of the total importation into the United Kingdom comes from Argentina, which on a value of 18,810,955 gold dollars is represented on the statistical data with 9,149,945 gold dollars that the 165,113 tons of flax introduced into England from our country amounted to.

In the exportation of wool to England the Argentine Republic occupied in 1909 the fourth rank, with 19,185,510 kilograms, valued in 8,153,055 gold dollars.

Lard is another article worth mentioning, since the quantities imported by the United Kingdom have augmented considerably during the last four years. The value that the English statistics give to lard coming from our country in 1909 is 1,743,540 gold dollars.

Tallow and stearine amount in the exportation of 1909 into England to 21,481,850 kilograms, valued at 3,306,260 gold dollars, and oleomargarine to 6,912,800 kilograms, valued at 1,520,805 gold dollars.

By comparing, therefore, the amounts shown by the exports of Argentina to England, up to a total of 163,371,100 gold dollars, and the amount of 91,573,265 gold dollars, which represents the exports of England into Argentina, a difference is seen in favor of Argentina's commerce of 71,797,835 gold dollars.

DIRECTOR GENERAL BARRETT: That is a very interesting paper.

Mr. Noel, will you come up this way, and also Mr. Santamarina? We are particularly favored in having Mr. Santamarina of Argentina with us. And also Mr. Noel, because that is one of the interesting features of our Conference, in that we have these men of those countries to answer questions. Mr. Santamarina will make a few remarks in regard to his country before questions are asked.

ADDRESS OF MR. J. P. SANTAMARINA, SPECIAL CORRESPONDENT OF *LA RAZON*, BUENOS AIRES, ARGENTINA

Mr. SANTAMARINA said:

Gentlemen, you will excuse my English scholarship, because I am a Latin, and we Latins have some difficulty in speaking the English tongue.

We have been specially favored by Nature, our climate being exceedingly good, and we believe it to have some superiority over some of our South American countries.

Again, we have been favored by immigration, and in respect to that we are in a somewhat similar position to the United States of America. That is to say, that if I did not live in South America I would believe that I lived in some parts of the United States. We are identical in many of the features of mankind. We are identical as a people. We are receiving the very same immigration you do, the only exception being that the Latin predominates, which in the United States, as you know, is not the case.

We have absolutely the very same things you have, and what can be sold in the City of New York can be sold in the City of Buenos Aires.

As to our financial condition, which has to be considered from the point of the trouble we have had in struggling through our hundred years of independency, is very good. We have got currency, our money being the paper dollar, which is equal to forty-four cents American gold. So, we have got a standard, given us by the last law which was passed through our Congress. We established this currency

in order to facilitate international trade; and it ought to be a capital point for you to consider that you are not taking any risks whatsoever when you do go with your trade to the Argentine Republic.

I had the pleasure of listening to that very honorable Senator of the great State of New York, Mr. Root, on his visit to Buenos Aires. I was standing nearby when Mr. Root said to the American congregation: "Citizens, fellow countrymen, the Argentine offers you just as good a guarantee as our own home land." We want you to come. We have no preference, as your Congressman from Missouri said, and I had to laugh when he said it, "You tickle me, and I will tickle you." I would like to say that we have tickled you pretty fairly the last year. It is all a question of the mighty dollar; it is not a question of favors. We will not ask favors, nor will we receive favors. We have given you orders amounting to thirty million gold dollars for our war material. We have been criticised for favoring the United States. We have given you the business in the United States because you competed with other nations, and you gained the bid. If you can sell warships, why should you not be able to sell staples and specialties as well? There is not an article produced in the United States at the present moment that will not sell just as well in the Argentine as in your own home market. Perhaps there is less demand, but it is demanded.

I wish I could carry you in my pocket to show you my country. All Americans that have been down there are amazed at our progress.

We have England with us there, it is true, but England has protected us more than any other country, for which we are thankful, but we have given England back every cent they have given us in the form of dividends, and this applies to the Germans and the Belgians. Bring your check with you and we will pay you the dividends.

We have great works on hand. We realize that our port with its forty-five millions of tonnage a year is getting to be too small. We want to expand our port and build piers like you have in the City of New York. This has demanded capital, which has been provided by our Congress, with an expenditure of one hundred and twenty million dollars.

Again, we have a subway. Our traffic in Buenos Aires is so extraordinary that we have had to build a subway like Paris, London and New York. All these demand machinery and implements.

It has been thought of, it has been spoken of and has been written about—practically books on the American shipping. It is very true—it is one feature of the United States of America that has been somewhat neglected, and that is your export shipping. There are some features attached to shipping which prevent the United States at the present moment establishing shipping on the same scale and so advantageously as England and Germany. Those are facts that must be considered. I will give you an instance. Supposing tomorrow the United States had a commercial fleet as important as England and Germany, where would you get the men that would sail on them? Your prosperity here is so great that nobody would go as a sailor. No fireman on a locomotive on the Pennsylvania Railroad getting eighty dollars a month is going to sail on a ship for three pounds a month.

You must be foresighted; you must see, and you do see for yourselves through these statistics that your export is growing daily; that your connection with the Argentine and the South American continent is growing rapidly and should grow much more, and consequently you want the ships. This is a thing for tomorrow, but you must prepare for it today.

Another feature of American export to the Argentine is the question of finance. You are also in that particular behind time. There is hardly a producing country in Europe that has not got practically its own bank in the City of Buenos Aires. I have gone down Wall Street and I have noticed them selling bonds, and all kinds of bonds. You have got banks, and all kinds of banks. Why don't you establish your own financial connection in Buenos Aires? I do not see any reason why this three-cornered business should persist. Why don't you get the whole profit? It is a great drawback to our commerce and to your exports. To have all these papers and documents and commissions makes in some instances the trade absolutely prohibitive.

I will come down now to a very practical point as to American export, and I shall gladly try to answer your questions. I listened with great interest to a representative of the National Cash Register Company, Mr. Edward A. Deeds. It is a great pleasure to me, gentlemen, to speak of his concern, not as an advertisement,

because we have not come here to advertise each other—we have come here to discuss ways and means. The National Cash Register Company is one of our proofs of progress. It is like the typewriter. Would you believe that the Argentine Republic—I am not speaking of the rest of South America, but speaking of my own country—use the cash register just as frequently as it is used here? Would you believe that the little shop a thousand miles in the country is using these ingenious apparatuses in order to save the bookkeeping expense? The gentleman from Dayton, Mr. Deeds, will be able to confirm the statement that the Argentine Republic is one of the best markets of the world, and so will all the representatives of the typewriting machine companies, if they are here. But, what did this register company do, and what has the typewriter done? Here I respectfully refer to Mr. Manning, who has given you such an excellent illustration of what export business is to the Latin American country—go and demonstrate. It will do no good to send a calculating machine to an Indian if he does not know how to use it. We want to be shown how to use these modern implements of progress, and it can only be done through demonstration.

The gentleman from Dayton said that he approved the plan of exclusive agencies. Well, I beg to differ a little with him. Of course, when you get hold of a thing like they have in Dayton, why, by all means, give your agency away, because that is just as good as if you yourself were in Buenos Aires; but as to large industries and organizations like the steel companies, locomotive builders and all those, they can get the trade, but it will pay them to send the right man down there, a man who has traveled, a man that has knowledge of the language, a man who has to expand the points of what we want, because, as your honorable and excellent President Taft said yesterday, "It is not to make the goods you want to sell; it is a question of making the goods we want to buy." Why should you impose upon us the use of a machine that we do not think is fit for our country—why should not we tell you what to make? I have had hundreds of experiences. I have written to manufacturers to kindly give us goods in such and such a manner—adapt them to the conditions, and I would receive a reply stating, "We make no alterations. Send us a check and we will send you the machine."

We imitate you in everything and in every respect, and we are glad and we are honored to do so. But you must do like the rest; you must adopt the customs which may seem to place you at the present time out of your way, but what will it be tomorrow? You will have all the profit of our trade if you just will make slight alterations. Here is an illustration: You say, "We received your kind inquiry by mail and have sent catalogues. If you send an order kindly send us a check, and we will be pleased to give you all the advantages possible." That is the way you write us. As a rule our people will just throw such a communication in the waste basket. Then, we will ask one of our German friends to give his terms and he will say, "We received your inquiry and our special representative is now on the road to Buenos Aires and will call upon you and give you all the facilities that you wish." That is quite different. You must adopt such conditions that we can accept. We are only too pleased to deal with the United States of America because we are on the same continent. Why should we not receive goods from our brothers instead of our cousins. Blood is thicker than water, gentlemen.

I shall be very pleased, with the permission of our Charge d'Affaires and our Consular Officer, to answer any question that you deem advisable to ask me, and I shall do it with the best of my ability. Allow me to say before finishing that one of the principal causes of your small export is a lack of intelligent knowledge of the Spanish language. That is a pioneer requisite in the export trade. This is one of the principal questions of the American export trade, and what I think is the chief point to get the trade and get it as directly as possible, because we in Buenos Aires are sick and tired of paying commissions—commissions which are added one upon the other. For instance, we want an American machine. The London firm will have the exclusive control of the South American continent, and the order for the machine must be placed through an export agent. The man in London gets his commission, and so on all the way down the line. Try to get your trade as direct as possible, and then, as I said, you will have our orders.

DIRECTOR GENERAL BARRETT: Gentlemen, I will have to ask you to limit your questions. While Mr. Santamarina, who has given us this excellent talk, supplementing that of Mr. Villegas, is looking over the questions that have been handed in, I will ask Mr. Noel to answer as briefly as he can the questions in regard to Peru.

REMARKS BY MR. JOHN VAVASOUR NOEL, EDITOR OF *PERU TODAY*, LIMA, PERU

Mr. NOEL said:

The first question is by Mr. Pierce C. Williams of the Chamber of Commerce, Pittsburg, who asks me, "What is the present market for bituminous coal in Peru? Where does the present supply come from?" Answering the question, I will say that the principal coal comes from England and Australia in various forms, also in brickets; and that the last statistics I find to the value of four hundred thousand dollars, at an average cost of from eight to ten dollars a ton. There is also some coal imported from the United States, but the principal amount of coal comes from England and Australia.

There are coal mines in Peru—some very splendid coal mines, which the lack of transportation facilities have yet prevented the development of. These mines are located principally in the district of Yuramarca, where anthracite coal of good grade has been found, and which the construction of the Chimbote-Recuay Railroad, which will soon be completed, will make it commercially feasible. The Cerro del Pasco Mining Company owns two coal mines twenty miles from their copper plant, but these mines have been developed on account of the special smelter needs, making coke for the large production of the Cerro del Pasco Mining Company, but that proves there are mines capable of development when transportation facilities make it practicable.

I have here several questions pertaining to electrical development—electrical power—by Mr. E. F. Wickwire of the Ohio Brass Company, Mansfield, Ohio, who asks, "What are the prospects for electrical power or railway development?" I have another question more or less on the same subject from Louis S. Curt, of the Association of Commerce, Chicago, Ill., "How is electricity developing all over the country and what can be offered to encourage a line of electrical signs?" Mr. E. L. Reynolds of the Electric Storage Battery Company of Philadelphia, asks me, "In the United States are now being purchased many small lighting plants costing from three hundred dollars to six hundred dollars, consisting of small gas engines, electric dynamo and storage battery. Is there a field amongst farmers and small establishments outside the zone of the electric light stations for these small electric plants?"

I thought it best to read these three questions on the subject of electrical development in order to answer them altogether. The supplying of electricity is very highly developed in Peru in the Capital, and in the smaller cities there are also individual electrical plants to a greater proportion than in the United States, and we find many places where they have skipped gas entirely. The water-powers are very large and very important, and have been utilized and will be utilized in the future more and more, and the General Electric Company organized the work, until the street car railway system of Peru, of Lima and the suburban service and the general electric service leaves nothing to be desired, and I think some of the fastest and best service exists between Lima and Callao and their suburbs.

As to the possibilities of electrical railway development, as I understand the question, there is unquestionably to be extensive future development; and the Cerro del Pasco Copper Mining Company is planning now to utilize the electrical power in its works.

Concerning small plants as referred to in the query by Mr. Reynolds of three hundred to six hundred dollars value, I will say that the large electrical installations, of which there are some very stupendous ones in Peru, have used gas plants or electric-light plants for many years. They have establishments where all those conveniences can be found—every possible convenience imaginable.

In general throughout the country the small farmers are not yet ready for that sort of thing, but they are glad to become acquainted with how they can utilize the advantages of those plants.

Mr. T. C. Clifford of the Pittsburg Meter Co., Pittsburg, asks whether gas meters are used in Peru and Argentina—are they manufactured there or in Europe or in the United States? Water meters are not used. There is no general control over the general amount of water consumed, as a rule, and gas meters have been used in the larger cities just the same as they have in any other country.

Mr. Robert Geddis of the Jones & Laughlin Steel Company, of Pittsburg, asks me, "What is the demand for rails and steel products, bars, plates, steel for bridges and buildings?" As Mr. Farrell said yesterday in his address, there is a

general demand for these products in Peru as in any other country, but I do not think I am prepared to answer this in detail, except to say that there is a decided development in that respect. The United States Steel Corporation maintains an agent there, who is very active. European concerns also have agents, and there is a tendency in Peru also for the use of re-enforced concrete, which is bringing about a proportionate demand in Peru for those articles as in the other Latin-American countries.

DIRECTOR GENERAL BARRETT: We are very glad to have had these answers from Mr. Noel, and he will be glad to take up other questions as you many ask him about them. I am now going to ask Mr. Santamarina to answer questions that have been sent in with regard to Argentina.

MR. SANTAMARINA: Mr. E. L. Reynolds asks if there are possibilities for light and power purposes. Yes, we need to further our small but rapidly increasing industries like that of the wine trade, for instance.

Mr. Alva Bayard, La Hacienda Co. of Buffalo, New York, asks, "What are the present and future possibilities for the sale of gasoline engines in Argentina?" I will say there is a great demand for gas engines in the Argentine, because in the larger cities where we have got no fuel, as you know, because we have no coal as yet to depend on, we need other fuel, and here gasoline engines certainly accomplish a useful result. This applies to our small light plants and street railroad cars, but the question is to introduce the gas engines into the Argentine Republic as the Germans have done, and to do that it is necessary to adopt a plan, at least to have a competent man to look after the first and following orders. Now, to send the gas engines down there with simply instructions will not do. I know, for instance, that the Westinghouse Company shipped into the Argentine 45 horse-power gas engines, and, as you know, the Westinghouse make a good product, yet the engine was not driven for three months because there was nobody who understood it, and they had to get a man to come from New York to fix it up. I believe in the future of gas engines in the Argentine Republic.

Another gentleman from Louisville asks, "Where does the bulk of the Argentine wheat go?" Well, according to statistics, I think that our crop principally goes to the United Kingdom and to Belgium.

"Are flour mills in Argentina using American machinery?" I think a very small part of the machinery in our flour mills is of American make. The Germans have got the better of you. They have sent men to study the condition of the wheat and oats, and eventually have sent their machines there, which are now working very well. There is a splendid opportunity for flour mill machinery. Of course, we get our entire consumption of flour from our own flour mills, and Argentine millers, in order to compete with prices, are necessarily obliged to put in a very modern, up to date plant. So, I can only advise the manufacturers of flour mill machinery in the United States to go as fast as they can after the trade down there. The trade is there, I know, and you can get the order, provided you put good men along side the other importers.

Here is a question by Mr. Bryce of New Haven, who asks as to the customs of dress and to what extent sewing machines are used in the families. It is very gratifying to me to say that feathers have disappeared in the Argentine Republic. As you see me now, I am quite European, and sometimes I try to compete with the American dressing.

There is a splendid opportunity for sewing machines, and as a proof of this there is hardly a home in the Argentine Republic, it does not matter how humble or poor the people are, the woman will have a sewing machine and make the trousers for her husband. But, again, it is a very difficult trade. You take the Singer sewing machine, which has very important branches throughout the Argentine, who demonstrate sewing and do all kinds of work on their wonderful machine. If you want to secure the sewing machine trade you have got to go and get that trade. They will not order a sewing machine from you voluntarily. You will have to go and get the business and demonstrate the cheapness and the superiority of your machine, and you will have to put your representatives in possession of the selling and talking point. I can buy a sewing machine and a very good one in Argentina at a dollar a month, according to my request, and if you are going on a cash basis you will not sell one single machine. As to clothing I will say that we also have got a very good market, especially for underwear. We have a very small textile industry, and we are obliged to get our clothing from abroad. We have some

industries of our own, but they cannot provide for the demand, and they are practically monopolizing the trade.

At this time I will answer the questions as to boots.

Sometime ago our people seemed to think they must have European boots and shoes because they seemed to fit so well. But they now seem to like to buy American shoes, and I have a pair on right here. I think cheap boots could find a market in the Argentine Republic, although I will say that one of the smartest plants has been established by the United States Shoe Machinery Company. They have got a whole outfit working right in our exhibit.

"What are the possibilities of the shoe business?" We have all kinds of shoes, and we go so far as to imitate the American shoe, and put an American name on it. Of course, this is done in every country and every trade, especially in the perfume business. But I would like to advise the American shoe manufacturers to go down and study the conditions, because we are gradually drifting into American boots and custom of dress and we are finding that your grades of shoes are more comfortable and that we can walk as quickly as you do in New York with much more ease when we are using American boots, and we have quit the European style altogether.

Mr. Lindemay, representing Eugene Dietzgen Company, asks: "What other methods, outside of sending traveling men from the United States and getting names of dealers from consuls, can, in a general sense, a manufacturer pursue in order to place his goods before his Argentine clientele, such as contractors, railroads, public works, engineers, etc.?" I am satisfied to say that you can use the very same methods as you do in the United States. There is not the slightest difference, only instead of taking the elevator, you take the steamer. It is only a question of distance. Buy the ticket and come down and see for yourself; you may not believe me.

I spoke to a very important concern in New York not very long ago, and they said, "Mr. Santamarina, we are going to endeavor to do some business in the Argentine." I said, "I am pleased to hear it." They asked, "What shall we do in order to accomplish that?" I said, "How much do you spend in advertising in the city of New York?" They said, "We spend about \$120,000." Just fancy that much in order to get the trade? So I said, "How much, if I can get you a good agent, would you like to spend on advertisement in Argentine Republic?" They said, "Not a cent." So I said, "Good-by." It must be a very short-sighted man who cannot see the benefit of advertising. Mind you, I am not here advertising the advertisement business; but you have got to employ the very same means in the Argentine Republic as you have here in this great country—absolutely the same. Our shops are the same, our selling methods are the same—cash against goods in retail and credit for dealers. We are heavy advertisers. We have got home firms in the butter and meat trade that spend annually thousands of dollars to get the home trade, and do you expect to get it for nothing? You must use the same means as you use at home. We have pages in some of the papers that cost us as much as one or two hundred dollars a page just in a magazine. We have a stupendous circulation of those magazines, because we read as well in the Argentine Republic, and read much. We have got magazines and newspapers that would surprise you. We have newspapers with a circulation of 150,000, practically beating some of those big newspapers in New York. You say, "Is this true?" I say, "Go and see for yourselves." We read a great deal, and consequently in a country where they read a great deal advertising will always pay. It is useless to think you can do anything without advertising. There is not a country that possesses so much information as the United States. Do the same thing in the Argentine Republic.

There is a very important question from Jones & Laughlin, which is also a very important concern: "What is the demand for rails and steel products, bars, plates, steel for bridges and buildings, etc.?" I cannot find words to describe the importance of the steel industry in the Argentine Republic. It is so immense that it is beyond my powers of eloquence to tell you how it is. We have at the present moment open to the public about 17,000 miles of railroads, and good railroads. This we have to thank the English for, because they have opened the country, and it is only fair that they get a good dividend. Our government has realized the fact that the future of our country, in order to get as great as we want to make it, like the United States, we have to open up the country. In the southern part are all kinds of wood, which is just as good as any in the world. We realize we cannot

get the wood if we do not have means to transport it. Our sea connections from Buenos Aires to Puenta Arenas are not as good as they should be.

You know that about 250,000,000 acres of our ground is fit for agricultural work. We cannot expect a man who comes to Buenos Aires to go down here to Rowson and cultivate and compete, if he does not have the opportunity to transport his goods. Consequently, we need everything that is connected with railroads. You people in the railroad and steel products business know how difficult it is to compete in that kind of goods, because the margin of profit is so small that it surely will not pay to advertise. If you wish to get the profit of our mines and railroads, you can go and get it as well, if not better, than anybody else, because we realize as far as the railroads are concerned the world must take off its hat to the United States. You have railroad carriages, locomotives, turn tables and all kinds of railroad material, and you will find a ready sale for it.

Our people will buy from you, but not as a favor, because it is past our time to do favors for anybody. We give our trade to the best man and the man who gives us the best for our money's worth, and I am gratified to say that we have placed quite a number of orders lately in the United States for railroad materials.

I will make a remark here about the locomotives, which I saw at Buenos Aires, and which were of Baldwin make. While I was looking at the Baldwin locomotive, some friends of mine asked, "What do you think of the finish?" I replied, "It is pretty rough, but what are you going to do with the locomotive? Are you going to show it to people or to haul people with it?" That was just the answer the Baldwin representative gave to us, and I believe that Baldwin got an order. I hope so.

There is every scope and possibility for everything in the iron and steel trades. You take our requirements in the line of sheet iron. I had the pleasure of sending an order to the American Steel and Iron Company of Middletown, and I told the representative of the opportunities in Argentina. Of course, competition is very keen, but I believe that from the size of our population we use as much steel and iron as any other country.

Here, I believe, is the last question: "What menace is there in the wood-boring or wood-eating insects of Argentina and Peru in the matter of hardwood products sent to those countries, such as interior trim, flooring, etc.?" Well, outside of the mosquito, I am not very familiar, but I am very willing to have an insect talk with the gentleman after the conference, or tomorrow or any time, because it requires study to answer him intelligently, there are so many insects.

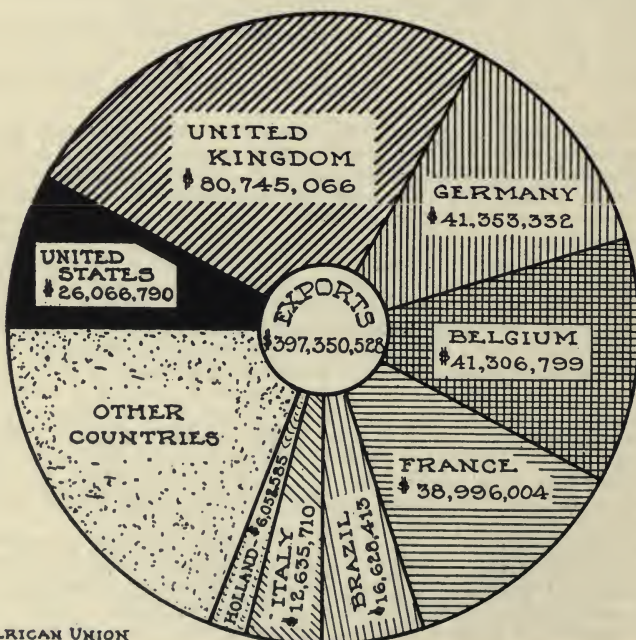
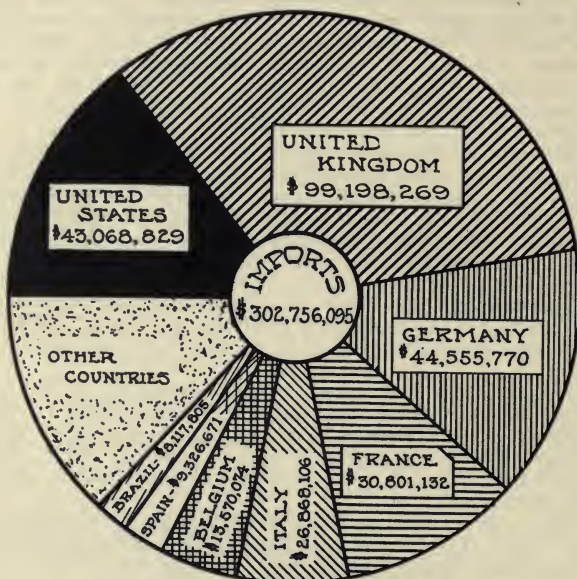
There is one more question by Mr. Bernard N. Baker of Baltimore, and perhaps this is one of the most important.

DIRECTOR GENERAL BARRETT: Mr. Baker is one of our great authorities on shipping.

MR. SANTAMARINA: He says, "Will American ships help trade and assist in establishing banking facilities?" I would not be very intelligent if I did not think that ships would help, but would it help you at this present moment with the present efforts? I think we have some representatives here of the New York shipping companies who will be better able to answer that question than I am. Perhaps not with American companies; but freights are so low that I would say conscientiously that American ships would help the export, providing you give them the same European freights or the same freights that you give the ship of England or Norway from here to the South American countries. Whether you will be able to give his freight rate or not, I do not know, but I doubt it, because, if you get the ships and offer these freights, it will be at a loss, and I do not know of any American who will go into business to lose his money. But, as I said in my primary speech, it is necessary to prepare for export trade, because this increase of practically billions demands ships where you control the whole trade. I venture to think that the worst war that the United States could have with European countries would be with boycotters of the shipping trust. That is the capital question, whether the United States Government understands what they have to do to meet the situation—to sacrifice part of your revenue in fostering future shipping facilities in the United States. I say you must consider it and you must get it.

As to the banking facilities, I do not think that shipping is dependent upon it except in an indirect way; but as it is now, it is advisable that you go down there. You have plenty of financiers and clever men. You have got men that will surely take shares and bonds in your financial enterprises in Buenos Aires. It is not a question of courtesy, it is not a question of offense, but it is a question of business.

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We are in business to compete. You must have a bank. It has been talked of long ago. I remember ten years ago when I was in the United States that the very same questions were put to me, and I told them to get the ships and to get the banks; and we have not advanced in ten years where things grow so rapidly. I understand it is to the advantage of your export trade to get the banks. It is very easy to see or to believe that the German bankers, if they can, will help their clients and they are surely going to report and tell them all your trade secrets.

I have said as much as I can on shipping and banking without preparation; but I shall be very pleased to answer any further questions.

As regards our consular service, I have one word to say. I understand that the American consular service is one of the best. I have to take off my hat to the consular service of the United States. I think you are served as well as any country in the world, and we are trying to imitate you. We have a consular office in the city of New York, where we have one of the best consuls that we ever had. I shall be very pleased to give you letters or to otherwise assist you in establishing your trade in our country.

DIRECTOR GENERAL BARRETT: I am sure that we are all very grateful to Mr. Santamarina and to Mr. Noel. Tonight we are going to have one of the most interesting lectures imaginable, by perhaps one of the best authorities and travelers in the world on Latin-America, Mrs. Harriet Chalmers Adams.

I have great pleasure now in calling upon Mr. Lewis Nixon, delegate to the United States Pan American Conference, and general authority on business matters.

ADDRESS OF MR. LEWIS NIXON, U. S. DELEGATE, PAN AMERICAN CONFERENCE, BUENOS AIRES, EXPERT ON SHIPPING

Mr. NIXON said:

Mr. Director General and Members of the Conference: I had expected to attend this conference more as a looker-on than to take part generally in the discussions that arose. I, in common with all those who have gone to South America, am sensible of the enthusiasm not only of South Americans, but of those who have seen and visited them. You have such a splendid example today of the type of South American public man in Mr. Santamarina. His conception of all the trade mechanisms, his thorough understanding of the trade needs and the trade conditions of his own country and of all other countries must have impressed you and given you an idea of the sort of a man that you will deal with there; and I want to say that when you deal with them you will find them your equal in every possible way and in every possible capacity.

Of course, I was impressed by the splendid address of Mr. Manning, especially with his abiding faith in the excellence of American products and his belief in our future faith, based upon such excellence. So, when Mr. Barrett yesterday telegraphed to me that he wanted me to make an address here, I as quickly as I could dictated a few general remarks upon the subject. I did not go into the details of trade down there, because I realized that that would be brought to you in a much better way and in a very direct way by others.

In regard to sewing machines, I have seen in little Indian huts way up in Bolivia American sewing machines, and they pronounced them good and were using them. They had bought them on the installment plan. I learned of a most interesting case. A man had a large consignment of Singer sewing machines that were too heavy for the local mules, and he had to go hundreds of miles into the country to get great mules to carry those machines, so they would not have to take them apart.

I saw at the exhibition at Buenos Aires pneumatic tools, and for a long time we led the world in that. They were American pneumatic tools in everything except the making, and they were made by a branch house in London or near London; but, as I say, I will not go into those details, but will leave them for this most interesting and valuable discussion, and simply cover a few points.

Since commerce includes both trade and transportation we must in commercial conference take account of the machinery as well as the commodities of commerce.

To be simply producers and consumers with transportation, insurance, banking and the middleman's profits generally in alien hands means that in these hands lies the power to regulate our participation in such trade.

The Director General of the Pan American Union has called this conference in order that the commercial interests of our country may be prepared for the opening of the Panama Canal.

The trade over the Tehautepec railroad last year was about \$70,000,000 in value, this showing the quick response which has met the facilities offered by that road.

That the Isthmian trade in general will increase to vast proportions as better facilities are provided is plainly evident.

Even should this Mexican railroad by multiplication of tracks and refinements in terminal freight handling appliances be able to attract a large share of such trade, the general result will be favorable to the United States.

Before the building of the Suez Canal, England was in much better position in her Eastern trade than after its opening.

When Irish flax gave way to American cotton, and England found herself with great industrial cities drawn from the neighboring country, the necessity for the lowest cost of living brought about the repeal of the Corn Laws, and the lower wages possible with the cheapest of good products fixed a low standard of labor productive cost, which, while not fully matched in the economy of mechanical and operating administration, gave England the lead, much of which she still retains. Cheap living for the wage earners and the wiping out of tariff charges on raw material and food products transformed England into a machine shop for the world.

Not satisfied to handle only her own commerce, England became the middle-man for all peoples. There focused the vessels bringing in raw material from all the world. She passed some through her factories and then distributed the rest and part of her makings to Europe. Naturally, as a sequence, to England in return came European products, and the vessels that brought in raw material in turn took out finished products of England, and the rest of Europe from England to the rest of the world.

So long as trade went around the Cape, England was the natural entrepot of Europe. But the opening of the Suez Canal stimulated a Mediterranean trade, and great ports, such as Odessa, Alexandria, Naples, Trieste, Genoa and Marseilles, have arisen, these doing direct trade with the Orient without the necessity of passing through England.

Up to 1872 England was mistress of the world's trade and transportation to such an extent that she might have continued so in spite of the readjustment to her disadvantage due to the opening of the Suez Canal.

Germany and the United States, however, both began a contest for the trade of the world in competition with Great Britain, nursing their industries behind tariff barriers, and each has shown a constant gain since 1881. But England's ships and English middlemen still carried the goods and acted as brokers, bankers, underwriters and agents.

However, Prince Bismarck, clearly sensing the true value of transportation and ocean commerce, in 1881 appealed to the Reichstag for preference for the German ship. Germany in 1885 established mail lines to China, Austria and Japan, and since 1885 has so encouraged German shipbuilding and ship owning that her tonnage is now over four millions, and one of the lines has the largest tonnage in the world under one management—greater than our entire tonnage in the foreign trade.

England, while still the great carrier and manufacturer, is no longer the stepping stone to Europe's trade, but continental European imports and exports now pass her by as they are carried through the English Channel. Hamburg has become the Liverpool and Chicago of Northern Europe.

These facts are only mentioned that we may draw some lessons from them. The Panama Canal will not act as a passageway for quicker access of other nations to markets of value to us. It brings us into direct touch with the western coast of South America, and makes our flourishing coasting fleets on the two oceans practically one.

The saving to us in distances to various parts of the world have been so often given as not to need repetition. Suffice to say, it gives us great advantages. Are we wise enough to profit by them? What is our position today? We are producers and consumers. Commodities leaving our borders are not marketed by us, are not carried by us, are not underwritten by us and are not financed by us. The cream of commerce goes to others who do these things for us.

It's just as important for us to be self-contained in our foreign trade as it is in our trade at home. Think of the cost of a dozen eggs or a pound of butter at

the farm house and the retail cost in the city. In our foreign trade this country occupies the position of the farmer.

The three pillars of a nation's independence and commercial prosperity are commerce, agricultural and manufacturing. All must be conserved or in the end all will languish. A nation's resources may be so great that for a time it can be indifferent to this economic axiom, but only for a time.

So before referring to a number of factors deemed essential to the furtherance of South American commerce, I shall first speak of the necessity for an American merchant marine, because the establishment of such a marine upon a sound basis will bring with it the other factors as necessary auxiliaries.

We are met at the outset with the argument that the people and the capital of the United States of America are better employed in developing their own internal resources and that the commodities of trade should be carried by those already possessing and controlling the means of ocean commerce.

If we suffer our various products to be interchanged solely through the medium of transportation systems foreign to our own control, such systems will be able after porportioning out our trade to their self-interest to inflict inferior service at disadvantageous rates. The commerce now carried on between the nations of the American Hemisphere is increasing rapidly, and with such increase there is forming an ever-strengthening control of its carriage by ships of another hemisphere.

With buying, selling, banking, insurance and transportation developed to a degree that defies successful or possible exercise of such factors of commerce by ourselves, we shall be reduced to the position of simple producers and consumers, giving of our labor and our resources to enrich alien peoples.

In many cases the disposition and the price received by the producer are fixed by the carrier, so essentially necessary are trade connections and distributive agencies to the great maritime fleets of the present day, and such powers are of course used when possible to advance the material interest of their own countries. While delay too long will be fatal, and the oceans may be parcelled out to spheres of influence, any delay results in making the effort to free ourselves from foreign tribute less and less likely of successful accomplishment.

As more and more is received from interchange with one another, the cost of carriage upon what is carried should decrease. So long, however, as the pools, conferences, combines and monopolies of another hemisphere control inter-American trade they can keep up the transportation charges in our trade as well as theirs and continue to throttle the flow of trade to our disadvantage.

We need such means of regulating commerce that our trade shall not bear toll charges radically out of proportion to actual cost. Otherwise we must be content with the trade that comes to us not through our enterprise, but in spite of our lack of it.

The United States is a world power and vitally interested in world commerce. As nations increase in wealth and desires, ocean carriage augments in volume and importance. We have of late been paying great attention to monopoly at home while a menace of vast portent has grown up on the oceans.

Our commerce must not be monopolized by England, Germany or Japan or other nations, for monopoly leads always to abuse; the poorest service that will be borne at the highest rates. We are faced upon the ocean by a monopoly of ship-building, of commerce and of the arts and accessories of navigation. Such a condition threatens our prosperity and independence.

If great fleets can be built and grow constantly in size and profit earnings on the trade which we furnish, no valid argument can be advanced to prove that we cannot turn the vast sums now pouring into foreign coffers to the enrichment of our own people. Only a few weeks ago, after being told that my desire for a power to regulate freight rates on the ocean was foolish because competition and cheapness do that, I read that the South American Steamship combine had decreed a radical increase in freight rates between our ports and markets to the South of us. I deny that competition secures cargoes, and assert that preference secures them. I deny that proof can be brought to show logically that given the great commercial sea plant and freight connections we once had we cannot carry just as cheaply as any foreigner. We did it in the past, even with higher wages and more expensive ships. We are doing it today in spite of fair wages on the Lakes. On our railroads, with far higher wages than in Europe, we carry a ton of freight a mile at a charge the European roads are powerless to meet.

The Act of 1828, suspending our right to charge a differential tonnage tax, was a free gift—without any compensating benefit to us of \$700,000,000 in this item alone, and in driving our flag off the ocean the loss has been fully ten times that sum.

Yet we plume ourselves on our internal development. We developed a small part of a continent while our trade rivals pre-empted the trade routes of the Seven Seas. And with the money taken from us through the carrying, manufacturing and vending of our raw material they have been enabled to invest millions here and in other countries in their internal upbuilding with which to continue for years to come the tribute.

Had we fostered our marine instead of destroying it we could have furnished the money as well as the brains and muscle for our own internal development.

As regards the Panama Canal, speaking personally, I think it should be made a free highway for vessels flying the American flag. The statesmanship which inspired the Monroe Doctrine gave expression to the idea that there was a fraternal bond uniting the American States by which closer union and co-operation are possible amongst them than with any of them and European States.

So in furtherance of this I would throw this Canal open to all American flags now flying on any ship or in the future flying on vessels of domestic build, meaning by this vessels built on any land of the Western Hemisphere.

What will benefit one of the American States will in intimate co-operation benefit all, so I should like to see the fullest reciprocity throughout the hemisphere, with proper safeguards to prevent any one State being used as a sluiceway for European or Asiatic goods to reach the others. Let the home market extend from pole to pole.

Brazil already extends a special discrimination in our favor of 20 per cent. on cement and a number of other articles which figure in the return cargo to that country. We should certainly exhaust reciprocal possibilities in developing return cargoes. It should not be possible for a line of any American flag to be refused railroad and through billing privileges enjoyed by any other lines in our ports any more than it should be possible to send shoes from London to Kansas City more cheaply than from New York to Kansas City.

And I would also extend the coasting laws by treaty to all of North, Central and South America, with the same restrictions as to build and flag as for the privilege of navigating the Canal.

This is not the place to suggest means for upbuilding our merchant marine.

Outside of the necessity for a merchant marine to balance our foreign commerce, we need American ships if we are to get our due share of South American trade, and as Congress must regulate commerce, Congress must provide a way through regulations.

One can take a good steamer almost daily to Europe from Buenos Aires, for example. As he can do so once a month to the United States, it is the rule to come here via Europe, but usually even when the start is for the United States, many stay in Europe.

The countries, too, that trade with that port have vessels under their own flags, we being the one nation altruistic enough to think that charity begins abroad.

I am satisfied that had we vessels running from the ports of the United States to the ports of other American States, equal in comfort and convenience to those from any port in Europe and of such speed that duration of voyage under analagous conditions are less from the ports of the United States than from the great commercial ports of Europe, we should develop within two years a tourist and buyer travel that would result in an increased trade of many millions a year.

Through the Monroe Doctrine, American States, instead of being portioned out to spheres of influence by the great trading powers of Europe, enjoy the benefits of keen competition amongst those who wish their trade.

While I found that the purchaser in South America usually wants the best and is willing to pay for it, we know that in the long run to secure and maintain a market for our products we must be able to produce as good an article at a less price or a better article at the same price as our competitor. Cheap money next to low labor cost is the most important factor in manufacturing and stable financial conditions, the great influence in removing the timidity which deters from those far-sighted and enduring programs that cannot be undertaken where unexpected loan calls are liable. Our people are rapidly being educated to the fact that credit and not cash is the mainstay of a proper financial system. Certainly a change in

our monetary system is most essential if we are to become an export nation of manufactured articles.

Today to pay for our products sent to South America the purchaser buys a draft on London or Berlin. This can be financed, be it for a long or short time. A draft on New York would probably lie in the safe till maturity.

Direct banking facilities must be had or we shall find ourselves taxed by those who do provide the facilities from $\frac{3}{4}$ to $1\frac{1}{2}$ per cent. on all our business, while their home offices learn our prices, terms of payment and every trade secret to be gleaned from the papers passing through their hands. This apart from good banking profit. It cost me in Buenos Aires \$4.97 $\frac{1}{2}$ for English sovereigns, paid on a letter of credit in sovereigns on one of London's greatest banks.

We should be able to insure our own ships and goods. We favored after the Civil War the foreign marine insurance companies to such an extent that we have practically driven our own people out of this business, with its overwhelming influence upon the selection of ships and conditions of shipment. Much of the splendid work done in upbuilding the German marine is due to their escaping the exactions and restrictions of foreign underwriters. Certainly our Government should penalize any discrimination against our ships on the part of foreign companies doing business here.

There might be found constitutional ways in which the Government could aid in insuring ships and commodities in the foreign trade.

We are blessed here with a decimal system of currency, but still adhere to an antiquated and cumbersome system of weights and measures. Put yourself, for an example, in the place of some man without tables handy who wants a tank to hold so many litres and who struggles with calculations involving inches and feet and gallons, and finally ends by buying from some nation using an intelligent system in the units of which he can think.

We should begin to think and deal in everyday life in metric units and force our children to think in them. It would not lead to any great change to adopt as a trade coin for the American States a uniform gold peso dollar which would circulate freely in all the Americas. If this could be brought about, China would fall in line, as the Chinese already know the dollar and think in dollar values, and we should then have millions of people fully appreciating our quotations without the mental effort of reducing to another denomination.

The best people to sell goods are those who make them. We must introduce our products by our own agents. It's true we have our own cities filled with aliens who handle our business for us, but this will all be changed when we become a trading nation again.

For the next ten years there should be an American Bourse in every capital of Latin America conducted by agents of our Government, where our sellers can show their wares to the best advantage and at the least expense.

I find not only in South America, but particularly in Europe, copying of trade marks and the palming off of European goods as American made. Treaties should be entered into with all the countries of the world by which every exported article shall bear a national certificate of origin mark, the counterfeiting or changing of which shall be severely punished in the country where the crime is committed. This would not interfere with trade marks, but would aid their object.

My collegiate friends will, I know, pardon me when I say that the study of Spanish and Portuguese and French will train the mind just as well as Latin or Greek. Every common school of this country should make the study of Spanish obligatory, and those who manage our universities would be doing a vast good for their country's commercial future if they would permit the alternative of either Spanish or German in entrance examinations. The business men of the country in selecting agents should take men in all cases who speak the language of the country to which they are sent.

And now to the many men who are here to study this pressing problem of newer and broader markets I am going to offer a word of advice.

You travel, all of you; if you do not you ought to.

Let the next visit be to Latin America. Your welcome will be sincere. You will find just as much of interest there as in Europe. You will meet great constructive statesmen, and capable and brainy men in every walk of life. You will see much that is instructive and learn much of value to you. They are working out the problems of representative republicanism as we are, and you can gather

the inspiration there to appreciate that Americanism is too broad and too enduring to be confined to any one State or section.

You will all be better from having gone and you will all go again.

DIRECTOR GENERAL BARRETT: I now have pleasure in calling on Mr. Lorenzo Daniels, manager of the Lamport & Holt Steamship Company, to say a few words.

ADDRESS OF MR. LORENZO DANIELS LAMPOR T & HOLT STEAMSHIP CO.

Mr. DANIELS said:

Mr. Barrett has rather advanced my position of making a few remarks so as to permit me to leave. It necessitates, however, my following the gentlemen that have preceded me, who are so skilled in the art of oratory, and I am afraid I shall very much have to regret that I have not given it more attention so as to be able to hold an argument with them at all.

At yesterday's meeting President Taft and Speaker-elect Clark both stated that our manufacturers are seeking wider fields for their sales; also foreshadowed the probable importations from producing countries of raw materials. The President also said it was quite easy to say all these things in a hurry, but a different matter to work them out quietly and with proper wisdom. The gentlemen that have also preceded have to my mind struck on the keynote of the development of American trade, in that it is necessary to become personally acquainted in those countries. In the case of South America giving her business to foreign countries—England, France and Germany—largely because it is peopled from these countries who have taken their concessions, who have supplied their material, and naturally they go home to make their purchases.

Of course, there are reasons why the United States has not gone abroad, reasons why American houses have not established organizations and houses abroad. It is unquestionably coming, and I think we are all looking forward to the time and planning and hoping to profit by it. Mr. Barrett asked me to prepare a few lines on ocean commerce, and I will take up the subject.

Ocean transportation is an open trade and is practically always a question of supply and demand. Of late years the question has largely been with the amount of the demand, the amount of supply has been in excess of the commercial needs and shipping generally all over the world, with few favored exceptions, has for the last six or seven years—in fact since the time of the Boer War—gone through a period of continued depression, resulting in first the loss of profits in dividends and next in failures and reorganizations in many of the shipping companies of the world.

The ocean and the large waterways of the world are open to all, and if a surplus of cargo is offering at the River Plate and a dearth, we will say in the North Atlantic or the Indies, steamers that were bound for the latter places will soon turn their bows and be on their way to answer the cargo call for tonnage space. In this way we can speak of the tonnage market of the world as more or less established and an open market, fluctuating with the demand and the lack of it.

A certain amount of commerce is, however, established and might be called the fixed minimum trade requirements. To cover this need has developed the establishment of regular lines of steamers. They in turn adapt their appointments to the special needs of the class of trade they are called upon to serve. We have refrigerator steamers in trades that require this class of boat; fast steamers where the cargoes are perishable or are of high value; especially constructed ore and oil steamers and express and slow steamers in the passenger trades, and so on.

Investors in tonnage, like other investors, look for a business in which to invest their money that will show a return and a safe margin of profit in its operation. In the shipping trade there are many risks; the depreciation is very large and the insurance risks high. Each generation finds the same old ocean, but an advanced type of steamship ploughing through its waters. The question of providing a suitable resting place for the old timers has never been satisfactorily discovered. An old steamer, after passing down the line, ends in a coal hulk or is broken up in the shipyard. A progressive steamship line must so regulate its steamers that practically every few years new steamers are placed at the head of its fleet. Steamers like the "Mauretania" of the Cunard Line cost a very large amount of money, not only in the original construction, but in the daily operation,

and these steamers can only be used in the very highest class of ocean traffic. The common tramp, built as simply as is possible and run as economically as is possible, is the soldier of the line and the base for opening up all general ocean traffic and providing a means for carrying the cheaper, bulkier and rougher cargoes; and is replaced in the development of a trade by fast and special steamers as the class of the business develops to require such service.

I presume I am expected to treat more especially on the transportation facilities between North and South America—Brazil, Argentine Republic and the United States—with which I have been closely associated for many years.

I can look back twenty-five years in the development of this trade, and my office records will show back a further fifteen to twenty years. Dating back to my early experience, the steamers coming in from Brazil—no steamers until the last few years came from ports farther south—were of 1000 to 1500 tons register—two to three thousand tons of cargo each—and were considered large and able steamers. Today the steamers are of 8000 to 9000 tons register, with carrying capacities as high as 15,000 tons of cargo. I have before me a list of steamers that have been dispatched from New York to the ports in the Argentine Republic during the year 1910, totalling 135 steamers of 592,150 registered tonnage and carrying cargoes totaling over 750,000 tons. This from New York to the River Plate alone. These steamers have been dispatched with a fair degree of regularity and average nearly 12 a month throughout the year.

The rates of freight for all this tonnage—a large export of merchandise—have to my own knowledge been on the basis of anything but a satisfactory one to the capital invested in the steamers, and have practically allowed no dividend or interest on the capital thus employed. I am glad to say that general conditions all over the world in shipping have lately shown a slight improvement, and we are hoping that this improvement will continue.

From New York to Brazil I have not the tabulated figures before me, but the same proportionate amount of tonnage has been dispatched. I should estimate the total number of boats dispatched from New York amounts to about 150 sailings during the year, not including full oil, coal and lumber cargoes or steamers that have been dispatched from other ports than New York.

From Brazil to New York the number of steamers is in excess of the south-bound voyage—probably half as many again—showing, gentlemen, the volume of traffic moving between the countries and the ample and able transportation accommodations that are furnished by the different lines now in the business.

Passengers are provided with accommodations that compare very favorably with the comfortable slower traveling class of ships in the Atlantic trade, and also with the ships that travel from Europe to similar countries in South America—the class of ships that this long voyage requires. The travel, however, between this country and both Brazil and the Argentine is small as compared to the travel from other countries or of Americans to the countries of Europe. This is accounted for by the comparatively few personal interests that Americans today have in either the people or the industries of South America, but with the increase of American interests in these countries and the settlement there of American families, this travel will grow. Immigration either from the United States to South America, or vice versa, does not, of course, exist.

The tourist has not as yet turned to South America in any numbers, but conditions of travel and of enjoying a visit to these countries are daily improving, and the many natural attractions and historical relics and associations of South America must sooner or later prove a strong attraction to a traveler who would be well posted on all the countries of the world. It is further to be expected that American enterprise and capital will soon interest themselves in the large industries of South America and in the development of the railways, mines and other commercial enterprises incident to the fast growth and possibilities of this part of the world. South America has today the same lines of development and the same possibilities for making fortunes as the last generation or two have so successfully unfolded in our own country. Nearly every steamer sailing carries some mail. By our own vessels we have often written to Rio and received a reply within thirty-three days—sixteen days on voyage each way and one day to answer the mail received. We also have parcels post with Uruguay and promised with Brazil and Argentine. The cable service is excellent, and owing to the small difference in time one or even two exchanges of message can be accomplished during the same day. The fastest mail route to Argentine is via Panama and Valparaiso—saving some 2000 miles in transit.

In conclusion allow me to say a word for myself and for all those now engaged in the business of transportation to and from South American ports. Many of us have watched the trades grow from nothing to where today they are reckoned in the hundred of thousands of tons of merchandise and hundred millions of dollars in value. We have increased our facilities apace with the trades; in many cases we have anticipated the requirements that would be made on us. In all cases we have given willing assistances to new developments, often bearing a share of the initial loss.

Gentlemen, today we are as keen as ever for new and increased business and the transportation interests stand at the line of sea—ready to welcome and facilitate the export and import trades of this country.

DIRECTOR GENERAL BARRETT: That concludes our session this morning.

Thereupon at 12.35 P. M. the Convention took a recess until 2.00 o'clock this afternoon.

TUESDAY, FEBRUARY, 14—AFTERNOON SESSION.

Director General Barrett called the meeting to order at 2.15 o'clock P. M.

DIRECTOR GENERAL BARRETT: Mr. Robinson, who is going to give us a little paper on Cuba, has not yet arrived—Mr. Robinson is special correspondent for the New York *Sun*, and very familiar with the people and conditions there—and in the meantime we will put in our time with a few informal questions and answers.

MR. RIZER of New York city: What is the origin and meaning of the word "Pan?"

MR. BARRETT: The Greek word "Pan" means "all." Pan America means all America. We are a little sorry that it does not comprise Canada. We have the coat of arms of Canada up here in our patio, and the name Champlain and other things to suggest it. I think you will see in a short time that Canada will be participating in the regular work of this institution, maybe not as a government, but as interested greatly in the Pan American trade. Some other question?

MR. REGINALD GORHAM, Electro Dental Mfg. Co. of Philadelphia: I should like to know if there has been any change made in the laws affecting registration of trade marks in Argentina since the last Pan American Conference?

MR. BARRETT: The last Pan American Congress made recommendations for a treaty or agreement which is now under consideration by the Congress. Mr. Moore, Commissioner of Patents, will speak on that matter presently.

MR. GUMPERT: On samples carried to South America, is there any duty to be paid on them?

DIRECTOR GENERAL BARRETT: Is there any one here who can answer that question regarding the duty on samples?

MR. RAPOSO: According to the countries. Mexico admits them. In Brazil you have to pay duties, but you get concessions, for instance, if the amount is less than fifty dollars.

MR. GUMPERT: As to samples for demonstrations, which are used up right then and there.

MR. RAPOSO: It makes no difference what you are using them for, only so that it is on samples when you export them.

MR. GUMPERT: For instance, goods going over for demonstration in a food line, but are used up, you would have to pay duties on them unless you re-export them.

DIRECTOR GENERAL BARRETT: Is there any further information on that point? Has any one an answer to that question?

MR. F. C. ENRIGHT, of the Association of Commerce, Chicago: In the Argentine Republic samples which cannot be sold; for instance, take any one having shoes as samples, articles like that are admitted free of duty. If you take a machine into the country for the purpose of demonstration you will have to pay duty on that. It is the same in Brazil. If you go before the head of the custom house and make proper demonstration, showing you have not sold the articles, you may be able to get a rebate, but I doubt it; but any samples that cannot be sold, like dry goods, are admitted free of duty.

While on that subject, there is one thing I might mention. In the case of the Argentine Republic, commercial travelers have to pay a tax—a national tax—of \$500 paper.

DIRECTOR GENERAL BARRETT: It would be how much gold?

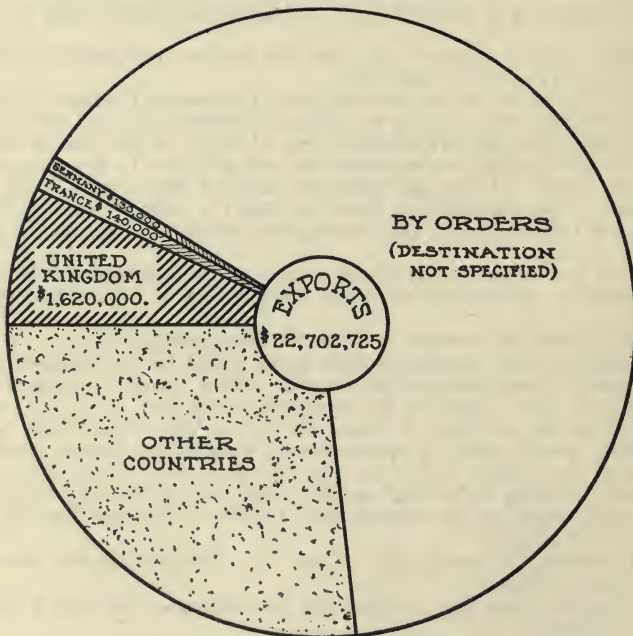
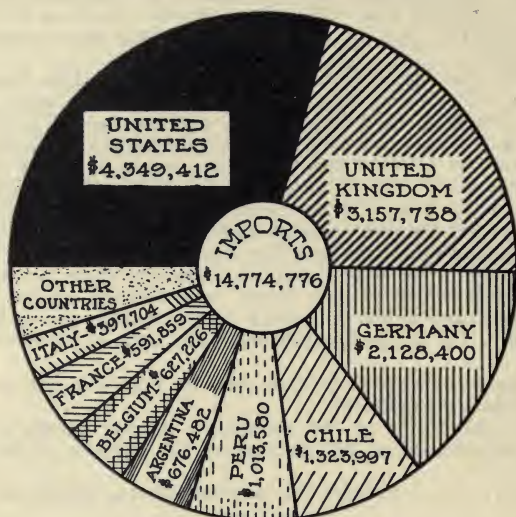
MR. ENRIGHT: Five hundred dollars paper would be two hundred and thirty-two dollars gold. Every commercial traveler selling goods in Argentina has to pay that national tax. Some of the provinces have also a tax. A commercial traveler going to the province of Santa Fe has to pay a provincial tax of two hundred dollars paper, which is approximately eighty-eight dollars gold. That is a thing that has to be taken care of as soon as you get into the country. The commercial traveler is liable to be held up and asked for his license papers, and if he has not got them might get into considerable trouble and thrown into jail and fined double the amount of tax.

MR. LINDEMAY: I would like to ask Mr. Enright whether the same tax applies to other countries.

MR. ENRIGHT: I am not familiar with the conditions outside of Argentina in that particular respect.

MR. J. E. BARBOSA, New York city: There are, I suppose, six States in Brazil

• BOLIVIA •
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 \$37,477,501.



where commercial travelers have to pay about thirty-five to fifty dollars American gold, or about two hundred dollars Brazilian paper.

MR. FORBES LINDSAY, Philadelphia, Pa.: I was going to remark that we have information in regard to Central America, as to those points, in the Bulletins of the Pan American Union.

MR. A. H. KELEHER, Holophane Glass Co. of New York: There is a publication by the Department of Commerce and Labor which gives the facts on salesmen in the Argentine, and I also found a book published by Mr. Hale, giving a very good resume of the requirements by different countries for traveling salesmen.

DIRECTOR GENERAL BARRETT: Dr. Hale is of our staff.

MR. KELEHER: I have found, as a rule, you do not have to pay the tax. In the Argentine Republic the commercial traveler tax amounted to as much as five hundred dollars in pesos of that country, and if we had to pay that tax we simply could not do business there. Companies go down there and take a chance. Nobody wants to pay so much money and afterwards have it develop that the business is not enough to justify that tax; that, as a matter of fact, we do not have to pay tax or duties in very many countries on samples.

DIRECTOR GENERAL BARRETT: You mean to say that the Argentine law does not exactly exact that, unless you do a certain amount of business?

MR. KELEHER: It is a dead letter. They tell me in Argentina you take a long chance and are always in fear of police, but as a matter of fact I have been down there three times and I never had to pay a tax, except in Panama, where I paid ten dollars.

DIRECTOR GENERAL BARRETT: We are getting practical information.

MR. ENRIGHT: I would say I had a man put in jail in the province of Santa Fe for not having a tax certificate with him.

MR. H. F. TEMPLE, of Chattanooga Mfrs. Asso.: I want to ask two questions.

DIRECTOR GENERAL BARRETT: One at a time.

MR. TEMPLE: I want to know whether the customs duties in South America are principally specific or ad valorem.

DIRECTOR GENERAL BARRETT: I want to say in that connection that we are developing the tariff section of the bureau of information of this office, so that we can give specific information in regard to any country almost immediately upon any question being asked.

MR. W. C. WELLS of Pan American Union staff: Specific in effect. Where it is ad valorem there is a certain fixed basis of assessment, which in reality makes it specific.

MR. TEMPLE: The other question is whether the matter of weights and measurements figure in the amount of duties that are charged?

MR. WELLS: I do not know whether I clearly understand the question.

MR. TEMPLE: It was this. In packing goods for shipment to foreign countries, of course, we have to put on a good deal of boxing, but what I wanted to know was whether we have to report the weights and measurements. I wanted to know whether the duty applied on the package as well as on the article enclosed in the package.

MR. WELLS: As a general rule, it applies on the package, where there is a double packing, but it does not apply to the outside; but it usually does apply to the interior of the package.

MR. MANNING: I just want to say this about the way duties are applied in Venezuela and Colombia, where I have had experience. In Venezuela the duty is on the weight of everything that reaches the custom house. I say that that way because that means if there is anything tied on to the box, by accident even, and it goes in there onto the scales, you will pay duty on it. In reply to one question that was brought up this morning as to the matter of packing, whether any complaints were made on packing from the United States in those countries, I said packing was very much better than it ever had been before; our shippers are paying very much more attention to it. But there is one thing which should be mentioned. Many articles are packed together in heavy cases, and a great quantity of extra space is filled with excelsior or old broken-up cardboard boxes, or paper, on which the customer has to pay a duty. Those things are the things which interfere with the cheap arrival of the merchandise at the hands of your customer in South America. Your packing should be ample, but should not be any more than ample. It should be just so that it can possibly carry the goods through, so that a man will have the minimum of tariff charge.

As to measurements, I saw one thing which was an excellent trick. There were a lot of light boxes and cases—they were simply crates, with two light strips three-eighths of an inch thick and two inches wide all around on the corners of the package, and then one covering of light burlap inside that, and I called to my vice-consul, who had been there a good many years, and said, "What is this? How do they get that over here from Hamburg in that kind of package in such good shape, just as though it came right out of the store?" He replied, "A dozen of these small crates are packed in one large case and placed in the ship. They are taken on board and manifested as twelve packages. When a ship gets to the pier the men down in the hold tear up the big case and they have the lumber for their pains; and there is where the German saves money to his customer, where he has to send his goods into a country working under a specific duty.

MR. FORBES LINDSAY: The Stetson people ship their hats in bags at the risk of the breakage at the customer's risk, who prefer them that way.

DIRECTOR GENERAL BARRETT: We will have to adjourn this impromptu discussion. I am now going to call on Mr. A. G. Robinson, who has made a very careful study of Cuba, to give us a brief talk in regard to that country.

ADDRESS OF MR. A. G. ROBINSON, EDITORIAL STAFF, NEW YORK SUN OUR COMMERCE WITH CUBA

Mr. ROBINSON said:

Before considering the future trade of the island of Cuba and our place in that trade I shall review as briefly as possible the story of the recent past. I have been unable to find any reliable record of the commerce of the island for the years immediately preceding the revolution of 1895, out of which, with American assistance in 1898, came Cuba's independence. The years of revolution were a time of industrial and social distress and commercial stagnation. From an import trade of probably \$50,000,000 or \$60,000,000 a year, the foreign purchases of the island dropped to about one-third that sum. With political stability fairly assured by the American occupation on January 1, 1899, there came speedy recovery, and the imports of the six years, 1899 to 1904, both inclusive, show an average yearly value of \$70,000,000. Then came a further increase. The figures for the year 1910 are not yet available, but the import trade for the five years, 1905 to 1909, both inclusive, shows an average yearly value of about \$93,000,000.

We may now consider the share of the United States in this notable increase in Cuba's imports. In September, 1891, effect was given to a provisional agreement with Spain under which certain specified products of this country entered Cuba at materially reduced tariff rates. Cuban imports from the United States for the ten years immediately preceding the operation of that agreement show an average yearly value of about \$11,000,000. Under the influence of the agreement the purchases from this country increased to an average of \$21,000,000 for the next three years. The so-called Wilson tariff act brought the agreement to an end in 1894, and the armed disturbance that began in 1895 reduced the sales of this country to an average of less than \$10,000,000 for the next four years. With the trade recovery that attended the American occupation, American sales increased to an average of nearly \$24,000,000 for the period 1899 to 1903, inclusive.

In December, 1903, effect was given to a reciprocity treaty, known as the Bliss-Zaldo treaty, that is still in operation. Due in part to the advantages secured by this agreement, in part to a more energetic and intelligent selling effort at our end, and in part to increased general prosperity and a greater purchasing power at the Cuban end, the sales of the United States show a notable expansion in recent years. Using the export figures for calendar years as reported by the Bureau of Statistics, our exports to Cuba have increased from \$23,500,000 in 1903, the year preceding the operation of the treaty, to nearly \$58,000,000 in 1910. In all probability the imports from this country last year represented considerably more than half of Cuba's total foreign purchases. Yet even that fair percentage may be somewhat increased. Those who think that the Cubans, from gratitude to the people of this country or from any other than strictly business motives, should come to us for their requirements, think most unreasonably. Practically all of Cuba's importers and merchants are Spaniards. The Cuban is a man of the soil, and not a tradesman.

He wants a plantation if he is rich, and a farm of a few acres if he is poor. Many adopt professions, the law, medicine, engineering or politics, but only a comparatively few go into business. The Spanish merchant buys, just as the American merchant does, where he can buy what he wants on the best terms. All talk of Cuban obligations to buy from us because of what we have done for our island neighbors is utter nonsense and should be suppressed.

There is much in the list of Cuban requirement that the United States cannot properly supply. Naturally, the wines of Spain, to which the people are accustomed, are preferred to the wines of this country. They want the olive oil of Spain, and their taste in fans, in laces and in various textile fabrics is Spanish rather than American. They still import Spanish made shoes in considerable quantities because many are accustomed to the shape of Spanish footwear and prefer the Spanish pattern, but the American product is making heavy inroads and, aside from the Spanish goods and a cheap grade of shoes made in the island, the American article meets no competition. Cuba's purchases of American footwear have increased from about \$600,000, in 1902, to \$3,000,000, in 1910. The Cubans import from four to five millions of dollars' worth of rice every year. They are now buying about \$4,000,000 worth of American flour, but rice is a standard dish in the Cuban household. They buy, largely through England and Germany, the product of Southeastern Asia at an import price of about 2 cents a pound. The wholesale price of the American product is about 4 cents in New Orleans and somewhat more than that in Charleston and in New York. We cannot expect to supply the Cuban market on that basis. We supply a fair portion of the demand for iron and steel products, but there are lines on which British and Scotch makers underbid us. In one branch of trade we are notably and inexcusably behind our competitors. I refer to cotton goods. Cuba's purchases of such goods amount to eight or ten million dollars a year, and we secure only about 10 per cent. of the trade in spite of the fact that the Bliss-Zaldo treaty was so devised as to give special advantages to American cotton.

There are many lines in which our sales can be no further increased except through the increase of Cuba's purchasing power, and there are some lines in which increase might be and should be effected. Such limitation as there is in our export trade to Cuba cannot be excused or explained on the ground of lack of banking facilities, ignorance of credits or lack of transportation service. There are in Cuba reliable American and Spanish banks and branches of American commercial agencies. In no city in the United States are commercial credits safer than they are in the cities of Cuba. Commercial failures are a rare experience in the island. The banks have central offices in Havana and branches in all of the important cities. Their business is done as banking business is done in this country. In the matter of transportation facilities, mail and passenger service, there are frequent sailings from both northern and southern ports, and there are trains six days in the week to Key West, where steamer connection is made to Havana, 90 miles across the straits.

Regarding our imports from Cuba there is little to be said. We take about 85 per cent. of the export products of the island. In those purchases there is no sentimental consideration for the Cuban people. We buy their sugar and tobacco, their iron ore and copper ore, their fruits and their hardwoods solely because of our need of those commodities and because it is more profitable to us to buy them in Cuba than it is to buy them elsewhere. In 1910 we bought more than \$100,000,000 worth of Cuban sugar and about \$16,000,000 worth of Cuban leaf tobacco and cigars. The heavy balance of trade in Cuba's favor imposes no obligation on the Cubans to buy from us any more than the heavy balance in our favor in our trade with Great Britain, or the heavy balance in our favor in our trade with Canada puts us under obligation to give those countries a preference in the placing of our orders.

The Cuban market is open to us. In the entrance to that market we hold a special advantage over competitors through the Bliss-Zaldo treaty of 1903. If our sales in that market are less than they might be by \$15,000,000 or \$20,000,000 a year, the fault is entirely our own. It is the fault that limits our sales in all foreign markets, the limitation of intelligent selling effort. We hunt trade in our own country, we hustle for it, we advertise and send alert salesmen in search of business, but in the matter of foreign trade our tendency is to sit in our offices and let the business seek us. We supply Canada and Mexico with about 60 per cent. of their foreign requirements, and our share of Cuba's import trade last year was probably not far from 60 per cent. of the total. Our sales to those countries cannot be doubled, but it can be somewhat increased. Our sales to other countries of Latin

America can be doubled and in some cases trebled. How far our imports might be increased it is difficult to say. Most of the products of Latin America are specialties of the tropics and the sub-tropics, such as sugar and tobacco, coffee and cocoa, spices and dye woods, fruits and fibers, rubber and other products of plantation and forest. We buy them according to our needs, and those needs are not susceptible of indefinite expansion. For our needs also we buy Chili's nitrate of soda and Mexico's copper, as we buy hides and skins and wool from a number of our Latin American neighbors. As between Latin America and the United States the trade situation is in favor of the Latin American nations. The trade balance of last year was in their favor to the amount of about \$150,000,000. In ten years we have increased our sales to Latin America by about \$125,000,000 a year, while we have increased our purchases from Latin America by about \$220,000,000 a year.

Some gain can be made in our sales to Cuba, and large gains can be made in our business with other countries of Latin America. Our business with Cuba and with Mexico stands as a proof of what can be done elsewhere. The key to trade expansion throughout Latin America, in Argentina and Brazil as well as in Cuba, in Central America as well as in Mexico, is in our own hands. In closing, I wish to impress the fact and to emphasize the phrase—the key to the increase of our sales to our neighbors is intelligent and systematic selling effort.

DIRECTOR GENERAL BARRETT: Following that excellent talk, let us have about eight or ten minutes of questions and answers. I know there are a good many men among our experts who are familiar with Cuba, and we will get the answer wherever we can. Are there any questions about Cuba?

MR. GUMPert: Do the traveling men in Cuba have to pay license?

CAPTAIN GRANVILLE R. FORTESCUE of the Pan American Union staff: No. But if he takes samples he has to pay duty at the custom house on the samples that he is taking in. This is refunded to him as soon as he leaves the country and he shows his samples to the custom house officer. A salesman is simply a traveler; if he carries dutiable samples that are salable of course they feel they have to keep a line on him, as there is a possibility of men taking in samples which they would dispose of in the country. Otherwise there is no fee at all.

MR. GRIZER, of New York: I am informed that to send a remittance to a traveling man in Cuba takes a good many days. I was told of one case where a man was held for nine days at one place getting a remittance from his firm at Toledo, Ohio. What would be the best way of getting money to Cuba, outside of a cable, to a representative in Cuba? Is it a fact that it could be possible that man could be held up a week or ten days waiting for a remittance?

CAPTAIN FORTESCUE: In answer to that question I want to call the delegate's attention to the fact that the Cuban postal service was organized by a gentleman from the United States, aided by our postal officials of the United States; and the Cuban Government has continued that same organization, and if it has happened that any one has been held up on a postal order for nine days, there seems to be something extraordinary about it. It is not the usual thing, because you could put through a postal order with the same facility that you do in this country in Cuba, counting, of course, for the time that it would take to go through the mails and arrive at the point in Cuba where your representative is.

MR. GRIZER: How many days should it take to get a remittance to Havana from Cleveland, Toledo or Chicago?

CAPTAIN FORTESCUE: It should not take more than four days, in any event, from Toledo. You see the mails are carried, to a great extent, down the Plant System, and then from the Keys over to Havana; and, of course, it should be taken in three days under favorable circumstances, but not more than four days.

MR. GRIZER: Thank you.

DIRECTOR GENERAL BARRETT: I would like Mr. Robinson to answer the question in regard to mail conditions a little further. Captain Fortescue says they are good, but there may be occasional causes for delay.

MR. ROBINSON: They are good, but a few days ago Cuba was having one of its frequent fights about the mail service. The mail is the hands of really one steamship company, and they do seem to rub it in once in awhile and cut out a boat where they can. We are supposed to have mail six days in a week, but sometimes only three times a week; and then again a storm may occur that delays the mail; but on the whole the mail service is frequent and regular.

STATEMENT: As the exponent of producing goods of the highest quality against any competition in the world, I want to say that personally I went down to Cuba

about ten years ago and secured orders from three customers that have regularly sent me their orders ever since and paid for them. What I want to impress upon this Convention is this fact, that if you want business, and if you want primarily that which brings you business and money and which is worth anything, it is worth a personal visit along the line of my experience.

MR. PAUL R. MAHONY, Remington Typewriter Co. of New York: I should like to ask if there has been any improvement in the legal situation that existed up to at least two or three years ago, with reference to the suspension of payments under the commercial code of Cuba. Under the commercial code of Cuba, which was generally considered a magnificent legal document or compilation of commercial laws, the merchant was granted special privileges of going into so-called suspension of payments, where he foresaw the condition that his resources or his current assets were not going to be sufficient to cover his current liabilities, he could go to the court and declare himself in suspension of payment, and it was possible for him to string that out over an indefinite period and secure advantages which, in my experience, were decidedly unfair.

DIRECTOR GENERAL BARRETT: This gentleman refers to the Code of Cuba, and says that it provided for a suspension of payments, enabling men in a great many cases to go out of business. He wants to know whether that still exists, and I will be pleased to have Mr. Robinson answer him if he will.

MR. ROBINSON: I have not looked into that question of commercial suspension. I have been too busy with other matters.

CAPTAIN FORTESCUE: I can say—you speak of conditions three years ago, as I understand it?

MR. MAHONY: I say I know it existed up to as late as three years ago.

CAPTAIN FORTESCUE: A commission was appointed which was to codify all the Cuban laws, including the commercial laws; this was during the American intervention; and this commission sat, I should say, continuously for two years. They did a tremendous amount of work, and as their work included the revision of the Spanish code and the whole Spanish law of procedure, they took up the commercial code last, and to the best of my memory I should say that they did not materially change the commercial code or the commercial procedure.

MR. EDER: There has been no change in regard to the laws of the suspension of payments within the last two or three years. I feel certain as to that, but there have been enactments and one or two laws in regard to fraudulent commercial practices, following the line of some of our legislation that tends toward helping matters commercially; but so far as the general matter of the suspension of payments, the provisions of the commercial code, I do not believe there has been any change.

MR. GRIZER: We have considerable trade in Cuba and they pay as well as they do anywhere. We are looking for more of it.

DIRECTOR GENERAL BARRETT: The question has been asked in regard to the civil code of Cuba, and the question of the commercial suspension of payment, whether there has been any change or not, or whether it remains the same.

MR. GRIZER: The same arrangement as before prevails, Mr. Barrett.

DIRECTOR GENERAL BARRETT: We are honored by having here this afternoon a very distinguished South American, Dr. P. Ezequiel Rojas of Venezuela. I am just going to ask Dr. Rojas to stand up for a minute so that the audience may see him.

Gentlemen, I want to say that a great deal of the success of the Pan American Union is due to the able Assistant Director, Mr. Francisco J. Yánes, who is also a Venezuelan. He knows far more about Latin America than I do; he has been a most kindly and loyal assistant to myself and has lessened my burdens every day that I have been at the head of this institution, without whose deep sympathy and co-operation I could not have succeeded in my undertaking. Dr. Rojas has asked Mr. Yánes to read his address this afternoon. I have great pleasure in presenting Mr. Francisco Yánes, Assistant Director of the Pan American Union, who will read the paper of the Minister of Venezuela.

MR. YANES: Gentlemen, I have simply been asked to read a paper by the Venezuelan Minister. I do not want to make a speech, but I want to say that the Director General, in stating that there is no other man in the Bureau posted in Latin American affairs better than I am—I think he is stretching it a little bit, in

view of the fact that he is the only man who has reached the heart of the Latin American Republics, and we are of very sensitive natures; he has become one of us, and all Latin America is proud, I know, to count him a Pan American citizen.

The Venezuelan Minister has honored me with this:

ADDRESS OF THE MINISTER FROM VENEZUELA, DOCTOR P. EZEQUIEL ROJAS

DR. ROJAS said:

It is with much gratification that I accept the honor the distinguished Director General of the Pan American Union has extended to me by inviting me to make a brief address on my country before this Conference, designed for the purpose of promoting commerce, but which will also serve to secure a broader field in the mind of the American people for the moral and political credit of the Latin peoples of our continent, as well as for their fitness for the life of freedom, order and progress. Exchange of trade would be impossible without these conditions, because such exchange, like everything else that involves the risking of material values, necessitates perforce the underlying element of confidence. And this exchange is not to be ventured upon, even by way of trial, when there exist erroneous conceptions that we should endeavor to dispel, for the sake of practical Americanism in the same sense in which it has been invoked in this very hall by the eminent men of the highest and well-deserved position who at present give luster to the official world of the United States.

The subject is a broad one, and it would please me to dwell upon it at length; but I must be brief, lest I trespass on the time allowed those who are entitled to be heard in preference, the speakers selected for their ability and competency to enlighten these discussions.

I would endeavor to show that the political convulsions of Latin America have been occasional, and not inherent in the people; and that they are similar to the convulsions undergone at the dawn of their development by countries which are today the pride of civilization.

I would prove that the stability attained by Chile, and the progress made by the Argentine Republic, Brazil and Mexico, are not exceptions to the rule, but a practical demonstration of what Latin America is capable of accomplishing, and of what it will undoubtedly accomplish. Elements like those possessed by the nations mentioned are also inherent in all the other peoples of the southern continent. All, in a greater or lesser degree, are already advancing along the path of progress, and there can be no estimating the height that their material prosperity and success in their civil development may reach in the future, in a soil so plentiful in resources and under a sun that stimulates man's energy, not only by its exuberant light, but also by the thoughts it awakens in their mind.

I would show that we possess the qualifications of honesty, civilization and nobility of character necessary to receive and to return the life that flows in the commercial currents, uniting the peoples with a tie so powerful that upon it depends their common existence.

Of my country, I can say that political vicissitudes have never altered the honest character of our market; and of the Venezuelan people in general I will state that they are clean-minded and generous, just as the best of communities in the world might be. In the wide pampas and extensive forests, where official vigilance is for obvious reasons still inefficient, one can travel with the utmost safety. It happens frequently that, when a locality is informed of the passing of some traveler—for instance, a commercial agent carrying with him valuable property—the peasant hastens to leave his hut, not for the purpose of attacking him, but to accompany and protect him. And the peasant does this without expecting any reward whatsoever. This is a simple action that denotes a spirit of gentleness and a noble regard for duty. A country whose people abound in sentiments such as these is not, indeed, a country without a future.

I will not occupy your valuable time in giving you an account of Venezuela's wealth, for that would be almost an endless task. Nature has bestowed upon the country all the luxuriance of the torrid zone, and crowned its forehead, on the lofty mountains of the Andes, with the products of the temperate zone. Wheat, rice and corn, which in former times represented three civilizations, are grown in the dif-

ferent altitudes, as a fore-token of the fusion of the human race, the greatest of the destinies ascribed to America by physiologists.

Cacao and coffee, cotton and indigo, sugar-cane, henquen and rubber, cabinet woods, aromatic and medicinal plants, grow wild on the 27,000 miles of agricultural lands thus far known. This does not include the unknown and unexploited lands in our virgin forests covering a zone of 55,000 miles.

Side by side with these riches is the wealth of the pasture zone. It is beyond the power of human mind to estimate the number of millions of cattle, horses and sheep that could graze on the 66,000 miles of our prairies bounded by the horizon.

This is not all. God's liberality was still greater. The soil retains in its bowels the most varied and abundant mineral deposits that could exist. There are regions like the Yuruari, where the sub-soil is crossed in all directions by veins of gold. Iron, silver, copper, coal, asphalt and magnesium are found scattered throughout different portions of the Republic.

It remains now to tell you how Nature has endowed Venezuela with an outlet for these riches, with facilities to receive in exchange and distribute throughout the interior foreign articles and products, and to welcome immigration and capital for the development of the country.

Suffice it to remember that our sea coast extends over 1500 miles, with 50 bays and 32 ports; that we have five gulfs, the largest of which, that of Guanta, measures 900 square miles; that our territory is traversed by 1047 rivers; that the greatest of these rivers, the Orinoco, having a basin covering an area of 93,600 square miles—the great river over whose waters one can sail into the heart of South America, as it is connected with the Amazon basin—is navigable to a distance of 1200 miles; and, finally, that, irrespective of minor rivers, the interior waterways of Venezuela are navigable for more than 13,000 miles.

We can shelter in our territory men from all climates of the globe, whether in our cold region, located at altitudes varying between 7500 and 16,500 feet above the sea level, with a mean temperature between 35 and 65 degrees above zero, Fahrenheit; or in the temperate zone, from 2100 to 6000 feet high, having a mean temperature of from 65 to 77 degrees; or in the hot region, where the altitude is less than 2100 feet, and the mean temperature ranges between 77 and 80 degrees, Fahrenheit.

Such is Venezuela, roughly described; such is the country which I have the honor to represent before the Government and the People of the great Republic of the United States.

DIRECTOR GENERAL BARRETT: I now shall have great pleasure in introducing to you the Minister from Ecuador, a distinguished citizen of that enterprising country on the west coast of South America, which will come into closer touch with us when the Panama Canal is open.

ADDRESS OF THE MINISTER FROM ECUADOR DOCTOR RAFAEL M. ARÍZAGA

Dr. ARÍZAGA said:

The opening of the Panama Canal will be an event of the greatest importance, especially in so far as concerns the progress and development of the countries situated on the western coast of South America, all of which will be brought considerably nearer to the great commercial centers of the Old World and of the United States. The Republic of Ecuador being situated to the south of Colombia, will, next to the latter, be the one most benefited by the completion of said interoceanic route, through which it will carry in future nearly all its import and export trade that at present passes partially through the Strait of Magellan.

There are five ports of entry on the western coast of Ecuador, namely, Esmeraldas, Bahia de Caráquez, Manta, Guayaquil and Bolivar, all of which are free from hurricanes, cyclones, fogs and other dangers to navigation, and, besides, they are provided with lighthouses and excellent anchorage.

The port of Esmeraldas, the nearest to Panama (500 geographic miles), is

at the mouth of the river of the same name. A bank which now prevents the approach of vessels of large draft up the mouth of the river can be easily removed, which would greatly improve the conditions of said port. Esmeraldas is one of the richest provinces of Ecuador. It contains large placer mines, rich forests of excellent timber, rubber trees and the palm which produces vegetable ivory. The land there is wonderfully fertile and produces excellent tobacco, cacao, coffee, rice, sugar cane and all kinds of tropical fruits. It is one of the provinces that is in greatest need of immigration and colonization, only a small part of its area, which amounts to 15,000 square kilometers, being settled and cultivated. It is bounded on the east by the inter-Andine province of Imbabura, which is one of the most fertile of Ecuador, and is noted for the diligence and enterprise of its inhabitants. Even the Indians are more active and well developed there than in other provinces. A railroad, which could be easily constructed between Esmeraldas and Imbabura, would not only contribute to increase the trade of the entire northern part of the inter-Andine portion of Ecuador, but also a great section of Southern Colombia, and would yield large profits.

The province of Manabí, to the south of Esmeraldas, which is larger and more thickly populated than the former, rivals it in natural resources and surpasses it in climate and present development. Its soil is equally fertile and yields the same tropical products. Its forests of vegetable ivory are the richest in Ecuador, and, in addition, said province is also very suitable for stock raising. The best hats made of toquilla straw, and which are improperly called Panama hats, are manufactured in Manabí. It has two excellent ports for the exportation of its products, as well as for importation from foreign countries—namely, Bahía de Caráquez and Manta. The former has a great future, inasmuch as it possesses not only the best advantages as a protected port, but because of the fact that it is situated in the richest section of the country, so far as agriculture is concerned, and it will soon be connected with Quito, the capital of the Republic, by a railroad which is now being constructed by a French company. This railroad will transport one-third of the commerce of the Republic, will facilitate the exploitation of an immense extension of fertile public lands of the high valleys and mountain slopes of the western cordillera, which now are uncultivated, and will place the capital of Ecuador within three days' journey of Panama.

The port of Guayaquil is the most important of the Republic, since it is situated 33 miles from the gulf of the same name and with water deep enough for vessels of deep draft. The majority of the imports and exports of the country are made through this port. It is the commercial metropolis of the Republic, as well as the warehouse and distributing center of agricultural Ecuadorian products. At present it is connected with the capital of the Republic by a railroad over 300 miles long, which runs through the most beautiful and settled section of the country, namely, the province of Chimborazo, Tungurahua and Leon, ascending in some places to an elevation of over 11,000 feet.

Guayaquil is the fountain of the economic resources of the country, as well as its most important industrial and banking center. It has public and private electric light companies, electric and horse railways, fluvial steamship and fire insurance companies and many other organizations, sugar plantations and rice and coffee hullers, but it can be said that all these industries and many others are in their first period of development and could be greatly enlarged, thereby affording many opportunities for the investment of capital. The same is true with regard to the banking business, the funds of which are notoriously insufficient for the proper development of the country, as shown in the following table:

Banco Comercial & Agrícola.....	\$5,000,000
Banco del Ecuador.....	3,000,000
Banco de Credito Hipotecario.....	1,000,000
Banco Territorial.....	400,000
Banco de la Filantropía.....	200,000

There is no other bank in the Republic but the Bank of Pichincha, established in Quito with a capital of \$400,000.

The current rate of interest is 12 per cent. per annum. Banks of issue and discount charge 9 per cent., this being also the rate of interest on mortgage paper, which enjoys great credit throughout the country. The gold standard prevails in Ecuador.

Guayaquil is interesting not only on account of its commerce and industries, but also on account of its other resources. It has large forests of hardwood, which have contributed to the reputation acquired by its shipbuilding industry, and, in addition, it has an extensive territory where cacao, coffee, tobacco, rubber, cocoanut, rice and sugar cane yield abundant crops. Its salt mines provide for the consumption of the whole republic, and its great deposits of asphalt and petroleum near the coast are commencing to attract the attention of foreign capitalists.

To the south of Guayaquil is Puerto Bolivar, situated opposite the island of Jambeli, provided with a deep channel, as smooth as a river, through which vessels of the deepest drafts can enter. This port is destined to provide for the commerce of four provinces which have more than 400,000 inhabitants—namely, El Oro, Loja, El Azuay and Cañar, which may be called the great mining region of Ecuador. Perhaps in no country of America is the poetical phrase of Olmedo, the great South American lyric poet, more truthful than here, when he called the Andes "huge masses seated on foundations of gold." It may be said, without exaggeration, that auriferous quartz is found in the formation of all the branches of the western cordillera, which from Cajanuma, in the province of Loja, descend to the west, comprising the territory of Zaruma and others of the province of Oro, so called because of the richness of its gold mines. The mines of Zaruma were famous from colonial times down to the present day, and are now being worked in part by an American company which is encountering such difficulties as are incidental to the lack of a railroad, which should communicate that region with the neighboring port of Santa Rosa.

The construction of a local railroad has been commenced in Puerto Bolivar, and later on this line may be extended to the provinces of Azuay and Cañar. These provinces are also very rich in iron, silver, placer gold, rock crystals and coal mines. There are immense deposits of the latter in the province of Cañar at a distance of only 80 miles from Puerto Bolivar. The proper working of these mines is of the greatest importance to Ecuador.

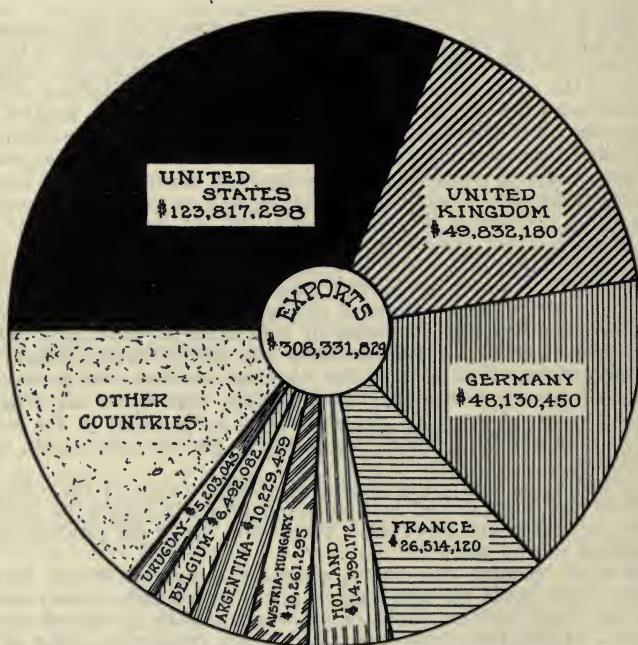
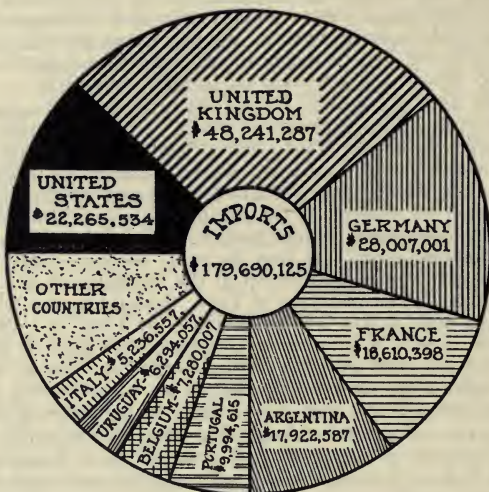
The future wealth of the inter-Andine provinces of this country depends mainly on its mines and industries. In many of them, in addition to those already mentioned, there are rich mines of copper, asphalt, marble, alabaster, sulphur, chalk, kaolin, etc., and the great abundance of waterfall for the production of mechanical power, together with the natural ability of the inhabitants for all kinds of manufactures, produce the conviction that its industry will reach a great development. Flax, hemp, agave and other textile plants grow in the mountain region, and the low plateaus of the cordillera can feed immense herds of sheep. The lowlands produce cotton and vegetable silk of excellent quality, as well as toquilla and mocora straw, the first of which constitutes the raw material for the hat industry, to which the province of Manabí, Azuay and Cañar owe their prosperity.

There are all kinds of climates in Ecuador, and its soil is capable of producing all the raw material required by human industry. The fertility of the lands near the coast is such that the main object of the agriculturist or farmer when he works is not to stimulate production by means of cultivation or fertilizers, but rather to check the productive power of nature. Once the seed is sown, without any other preliminary preparation than that of the clearing of trees and undergrowth, the whole work consists in destroying the luxuriant vegetation, allowing only the desired plants to live. Cereals of all kinds yield great crops in the inter-Andine region, and there are lands in which two crops are gathered every year without any kind of fertilizer.

The lack of easy and cheap means of transportation is the reason why an immense number of natural and manufactured products cannot be exported with profit. Below will be found, however, a pretty fair list of the products which were recently exported in one year:

Alligator oil, annatto, raw cotton, garlic, rice, donkeys, horns, stuffed fowls, sugar, sulphur, baize, reeds, military leggins, pitch, horses, cotton ropes, cocoa, coffee, cut reeds, whole reeds, tortoise shells, cars, mangrove bark, powdered eggshell, rubber, virgin wax, bristle, beer, cigarettes, cigars, coke, condurango, goat skins, alligator skins, hides, chocolate, fresh fruits, cattle, hammocks, banana flour, ice, bricks, sheep wool, raw timber, corn, gold ore, mules, clay articles, orchilla, gold dust, gold in bars, cast gold, mocora straw, royal palm, raft, wood, pumice stone, silver in bars,

• BRAZIL •
- COMMERCE - 1909 -
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heron feathers, common salt, seeds, hats, soles, leaf tobacco, vegetable ivory, earth for the manufacture of asphalt, vinegar, bramble.

The total value of the trade of Ecuador may be estimated at more than \$42,000,000 annually, at least \$3,000,000 of which represents our balance of trade.

In one of the recent years for which statistics have been compiled the markets consuming our products in the order of the value of the exports are as follows:

France.....	\$6,253,840
United States.....	5,071,320
Germany.....	2,862,215
Great Britain.....	1,016,375
Chile.....	1,016,692
Spain.....	847,466
Peru.....	528,622

Other nations follow with lesser amounts.

The annual exports may be estimated at 60,000,000 kilograms.

There is a valuable product which Ecuador has not been able to export up to the present time in any considerable quantity owing to the lack of sufficient means. The banks of the rivers of the coast region and of the valleys sheltered by the mountain slopes produce the most varied kinds of an exquisite quality of fruit, and when ships like those of the United Fruit Company, which transact the fruit commerce on the Atlantic side, can be counted upon, Ecuador will be able to send to the north and to the south the fruits of her excellent climate in sufficient quantity to constitute one of her fountains of riches.

The preceding data and remarks show how much Ecuador can hope from the facilities which the opening of the Panama Canal will lend to her commerce, and what great opportunities can be offered to capital and foreign industry in obtaining the most promising results. Ecuador is an entirely new country, and everything has still to be done in it in the sense of material advancement in the civilization of the century. It needs railways to connect the coast provinces with the interior, wharves and custom-houses for its ports, electric power and lighting plants for its cities, maritime and land transportation companies, potable water for its towns, and factories of every kind; in a word, it needs the thousand and one enterprises that encourage industry and provide the necessities of complicated modern life. And in all these investments foreign capital will be sure of obtaining the most flattering profits.

Capitalists and men of influence in the United States should give timely consideration to three essential points in connection with the Republics of the Pacific Coast—namely, the establishment of cheap and rapid lines of maritime transportation, the founding of banks with sufficient capital for the development of the Pacific Coast countries, and a generous and moderate modification of the customs tariff, which in some cases in the United States becomes oppressive to us. And this is not a mere allegation of self-interest, since it must be borne in mind that the more our commerce is developed the more we will consume, and the one who will gain thereby is the great producer—the laborious and tireless American people. When the Panama Canal is open to traffic the anomalous situation of South American countries—even those situated farthest north—transacting their commerce through the Strait of Magellan will cease, and the values of their product, which in a large part are paid for and consumed in the United States, and the prices of which are regulated by the European markets, will cease also to be so regulated, inasmuch as this state of affairs is due to difficulties of transportation and the lack of banking facilities between the United States and the nations of the continent to the south.

I cannot conclude without removing an error that might be prejudicial to the people of my country from the view of the foreign capitalist and promoter, and that is that there is sometimes exaggeration concerning the bad conditions of the climate of the Ecuadorean coast. It is necessary to say for the sake of truth that our coast was never so deadly as were the coasts of Panama, Cuba and the Gulf of Mexico a short time ago. It is true that there are some cases of yellow fever in Guayaquil, but they are not so numerous as is supposed, nor is that a danger which should not disappear as soon as the work of paving and sewerage the city is accomplished. On the other hand, the Ecuadorean coast has climates that are truly ideal, such as those of Manabí, El Oro and the Canton of Santa Elena. As to the interior provinces, there is no climate in the world which can compare to theirs, and medical science has not yet discovered a surer remedy for the cure of consumption than the life-giving air of the mountains of Ecuador.

Our country offers to the foreigner who enters its territory a generous hospitality, an agreeable and healthful climate and a thousand opportunities of prosperity and gain, and all who bring to it useful knowledge, honorable industry or capital intended to develop the productive forces of its rich natural wealth may rest assured of obtaining the most complete success.

DIRECTOR GENERAL BARRETT: Mr. Montgomery of our staff has recently returned from Ecuador and other countries. Would some one like to ask any questions which Mr. Montgomery might answer or possibly the minister might answer?

QUESTION: How about health conditions in Guayaquil?

MR. W. B. MONTGOMERY: The health conditions in Guayaquil are not as bad as it is generally supposed to be. There is some yellow fever at the present time, but the municipal government is taking steps to sanitize the city of Guayaquil, and it will not be very long until that is as healthful a port as any in South America.

DIRECTOR GENERAL BARRETT: I am aware also myself of the negotiations that are under way now, with regard to that port. Of course, it has a very direct relation to all the business interests that will use the Panama Canal, because of the importance of the port. I want to say that during the time I was United States Minister to Colombia it was my privilege to make an overland journey through the entire length of Colombia, and then through Ecuador by muleback, railroad train and automobile, and in going along the plateau country of Colombia and of Ecuador I found one of the most delightful climates in the world, wonderfully well adapted to agriculture and to the residence of people like ourselves, the average temperatures of those high plateaus being about 60 or 70 degrees Fahrenheit, seldom going above 72 or 73 and very rarely below 60. In Bogota, the remarkable capital of Colombia, where I spent a most delightful year, I never saw the thermometer in my office go above 72, and I never saw it below 60, and yet I was only three hundred miles from the equator, but I was up 9000 feet in the air. In Quito I spent some ten days or two weeks, and I could not imagine a more delightful climate. I hoped there might be some question in regard to Ecuador.

MR. GRIZER: Does Mr. Montgomery happen to know, or Mr. Lindsay, about how many ice plants there are in Ecuador at the present time, or whether there are many or few?

MR. MONTGOMERY: There are some ice plants in Ecuador, in Guayaquil, the brewery manufacturing ice and selling it.

DIRECTOR GENERAL BARRETT: They also make good beer.

MR. MONTGOMERY: Of which foreigners are very fond. In Quito, also, a brewer manufactures ice and sells it to the general public. Those are the only two points I know of where the manufacture of ice is carried on in Ecuador.

MR. J. D. MASSEY, Eagle and Phenix Mills, Columbus, Ga.: I want to ask whether the population of Ecuador is mostly in the lowlands or mostly in the mountainous regions and how that affects the weight of clothing of people; that is to say, what character of fabric is used mostly for the clothing of people for the bulk of the population.

MR. MONTGOMERY: The principal portion of the population is in the upland country, in the high valleys in that country. They require heavier clothing than they do on the coast, woolen clothing being very comfortable in Quito, and in all the upland country. The large population that exists in the coast cities requires very light clothing, and of course woolen goods would not be used there at all; but in the upland cities goods such as we wear here in the spring of the year are very comfortable.

MR. MAHONY, of New York: We hear a great deal about railroads running into virgin countries and opening up and developing the country. I would like very much to have you give us a few words about the development that has followed the opening of a railway from Guayaquil to Quito, which I understand has been running for some little time.

MR. MONTGOMERY: The railroad from Guayaquil to Quito was opened up several years ago, and the people who formerly traveled from the coast to the capital in stage coaches and on horseback now use the railway, and they are using the railway more and more each year. They seem fond of that traveling, and it makes the people in one section of the country better acquainted with the people in the other sections of the country, and it also enables the products of that section of the country to go to the different sections of the country. The coast products come up into the highland countries and the valley products go down to the coast country. A person living in Ecuador in the capital can eat pineapples brought up

from the neighborhood of Guayaquil every day of the year, and it is most delicious fruit, too.

MR. WISE, of Trenton, New Jersey: I would like our friend to tell us something about the sanitary conditions of Ecuador, and the possible demand of the railroads for sanitary earthenware, such as used in the United States in the most up-to-date bathrooms, anything pertaining to the earthenware used by plumbers.

MR. MONTGOMERY: The sanitary condition, for instance, of Quito, the capital of Ecuador, is somewhat primitive. Quito is not a city that has sewers, but it has a natural drainage and they are now using sanitary appliances in houses, and expect to sewer the town and to use a great many goods of that kind. The city of Guayaquil is also not in a very sanitary condition in that respect, but when this concession or contract that the municipality makes with the company to sanitize the city of Guayaquil is concluded they will need large quantities of goods of that kind.

MR. WISE: In other words, there is not much demand just now, but the possibilities are they will be needed in quantities in the near future.

MR. MONTGOMERY: The demand now is purely local, confined to persons building houses, and they put that in of their own account, but later there will be a large demand for goods of that kind in the principal cities of Ecuador.

DIRECTOR GENERAL BARRETT: The Minister of Nicaragua I was hoping would be here, but when we went down to take that picture he disappeared somewhere or other, and he has asked Mr. LaCalle of our staff to read his paper, which is a brief one, and I will ask Mr. LaCalle to read it now while we are waiting for the others.

ADDRESS OF THE MINISTER FROM NICARAGUA DR. SALVADOR CASTRILLO

Commerce, which forms the strongest ties between nations while these have as the motive of their actions only the public interest—commerce between Nicaragua and the other nations, I believe, will continue to develop more and more.

What we need is lines of steamships coming to our ports and bringing us into contact with our sister republics of the continent and with European countries; railroads which shall connect our growing towns and cross unexplored sections of the national territory; foreign capital and the enterprise of more experienced men, who, while reaping a legitimate reward of profit and of prestige for their governments, add to our common riches and prosperity and aid us in fostering civilization, which is founded on justice and well-being.

Our Atlantic ports are regularly visited by two lines of steamers, one from New York and the other from New Orleans. In times past, several other lines carried on commerce with that coast; and when the railroad now under construction unites the city of Rama with the interior of the republic, it is to be hoped that we shall have more adequate means for the transportation of our products to other countries, particularly to the United States, and of your products in return to my country.

On the Lake of Nicaragua there should be established a line of ferry boats, or the railroad should be continued to the city of Rivas and San Juan del Sur, around the lake, so that we could cross the country from ocean to ocean.

We have also a project which we shall carry into effect, for constructing a railroad to Matagalpa, the region in the North of Nicaragua. This road might go as far as Rama and thus pass near the mineral zone of the Atlantic, where there is already so much foreign capital invested, or it might be constructed to Leon, a prosperous city near the Pacific; and indeed, both these branches should be built.

At the present time our commerce is carried on exclusively, excepting the departments of the Atlantic, through the Pacific ports of Corinto and San Juan del Sur; merchandise is transhipped at Panama, or goes to San Francisco or Europe, after going around Cape Horn.

It is to be hoped that soon, with rail communication established to the Atlantic, these difficulties will be done away, and that with proper competition in freight rates on exported and imported goods, commerce in general, both internal and external, will be benefited.

Our principal products are the following: Coffee, cacao, sugar, tobacco, grains, bananas, woods for construction purposes, cotton, indigo, cattle, cheese, hides,

rubber and gold. All of these are exported and in Leon and Managua there are now some industrial establishments.

In general, manufactured products must come to us from Europe and the United States. The Atlantic coast of Nicaragua in particular imports entirely from the United States.

Among our mineral riches it is declared that there is copper, and it is also said that coal exists in the republic.

With our two lakes, one of which is of great extent, and our four or five rivers navigable by large ships; with the improvement and widening, in conjunction with our neighbor on the South, of the San Juan River, which connects the Lake of Nicaragua with the Atlantic; with the advantages which we offer the industrious immigrant, I have no doubt that the Nicaraguan Republic, devoted exclusively to this work, will soon be able to take an honored place in the commercial relationship of the nations and receive all the benefits of a free exchange of products to the mutual advantage of all.

DIRECTOR GENERAL BARRETT: Following the reading of that paper, which has been very interesting, we will have the reading of one which the Minister of Haiti has kindly prepared. Mr. Minister, will you kindly arise that we may see you? (The minister arose.)

ADDRESS OF THE MINISTER FROM HAITI

H. PAULEUS SANNON

The island of Haiti belongs, as you know, to the archipelago of the Antilles. Placed at the entrance of the Gulf of Mexico, it is situated exactly between the 17th and 21st degrees of northern latitude and the 71st and 77th degrees of western longitude from the meridian of Paris. In respect to size, it comes immediately after Cuba; but for the fertility and variety of the products of its soil, it is unsurpassed by any other island of the Antilles.

In his book, "Haiti, or the Black Republic," which is uniformly biased, Spencer St. John says, however, in regard to Haiti: "I have travelled in almost every quarter of the globe, and I may say that there is not a finer island than that of Santo Domingo. No country possesses greater capabilities of production; none a greater variety of soil, of climate and of products or a better geographical position; with magnificent scenery of every description and hillsides where the pleasantest of health resorts might be established."

Politically, the island is divided into two sovereign republics. The Republic of Haiti, of which I am to have the honor to tell you about, occupies the western part, covering an area of about 24,000 square kilometers, with a population of two million inhabitants.

Until 1804, when the country separated from France and again assumed its Indian name, that is to say, its original name, this part constituted the French colony of Santo Domingo, so famous in the history of the colonization in the eighteenth century.

In order to avoid any misunderstanding, it must be understood that all I will have the honor to state here refers only to the Republic of Haiti, and not to the entire island.

Situated as it is, on the great maritime route which leads directly to the Panama Canal, few countries are destined to derive as much advantage from the enormous world trade that will result from the communication of the two oceans than Haiti.

The commercial relations of Haiti with the United States are very old. They are the result of the proximity of the two countries. At one time, when Haiti was still an European colony and when the relations of the island with its metropolis were regulated by what is known in history under the name of "Colonial Pact," the island incessantly besought the mother country to allow it to carry on trade with the United States.

And you are going to see why. Remember how long it took a ship before the establishment of steam navigation to go from Europe to America, and vice-versa, and as the colonial pact obliged the colony to export all its products to France, and on the other hand to import almost exclusively the articles necessary for its sub-

sistence, the inhabitants of Santo Domingo were often without food, and they requested the privilege of bringing them from the nearest country; that is to say, the United States. This was particularly true during the time of the wars which devastated Europe towards the end of the eighteenth century, and during which England, then the almost absolute mistress of the sea, prevented the French flag from visiting Santo Domingo, which was threatened with famine and which was obliged to attract by every means in its power the trading vessels of the United States to its ports. I could in proof of what I have stated mention a historical fact which is as interesting as it is little known. It is a correspondence of Toussaint Louverture, governor of Santo Domingo, and John Adams, President of the United States. But my time is limited, and those of you who might be interested in this historical curiosity can find it in archives of the State Department.

It was in this manner and dating from that period that commercial relations were established between the two countries, relations which destined to develop more and more, favored by the geographical proximity, by the difference in the products of their soil and by the economic independence which exists between a manufacturing center and an agricultural country, producer of raw materials, placed in near proximity with each other.

In 1864 a treaty of comity, commerce and navigation further consecrated these economic relations by the establishment of permanent diplomatic relations between the two republics. Since then the bulk of exchanges between Haiti and the United States has constantly increased.

Here are some of the latest statistics: During the fiscal year 1907-1908, that is to say, from the 1st of October, 1907, to the 30th of September, 1908, the total imports of merchandise from abroad in the various ports of Haiti represented a value of \$4,701,160.80 American gold, distributed as follows:

United States.....	\$3,316,827.00
France.....	552,460.62
England.....	466,836.34
Germany.....	134,074.58
Various countries.....	230,962.16
Total.....	\$4,701,160.80

To the value of the merchandise coming from the United States, \$806,986.50 must be added for the value of specie shipped from New York to Haiti.

As you see, of \$4,701,160.80, which represents the import movement of Haiti, the United States figures for more than three millions. And these three million dollars represent our purchases of food stuffs, pork, cod-fish, flour, butter, lard, petroleum, soap, cotton goods, drugs, carriages, agricultural machinery, lumber, etc.

I must state incidentally that this proportion of three millions out of four is not an accident, or a transitory condition of the year 1907-1908, but a permanent condition proved by our customs statistics. For example, let us take the fiscal year 1908-1909, the imports of Haiti represent a value of \$5,880,678.79; the United States figures in the same proportion, or \$4,271,046.72; France follows with \$644,315.35; England with \$568,190.22; Germany with \$196,886.55, and the other countries with \$182,239.95. It is necessary to add for the United States \$851,762.79, value of specie shipped from New York to Haiti.

In going back several years, up to 1890, period of exceptional commercial prosperity for Haiti, an import value of \$10,060,979.27 is noted, in which the share of the United States amounts to \$6,454,600.

As you can see, this is a permanent commercial fact: three-fourths of the imports of Haiti come from the United States.

In regard to our exports to the United States, they are far from balancing our imports. According to statistics of the Department of Commerce and Labor, the value in American money of Haitian articles imported into the United States during the fiscal years from 1903 to 1907 is as follows:

1903.....	\$1,108,729
1904.....	1,214,133
1905.....	1,101,650
1906.....	1,184,847
1907.....	1,274,678

These articles consist principally of coffee, cacao, goat skins, beeswax, honey, logwood, cabinet woods, etc.

The average of our exports to the United States amounts consequently to about one million dollars.

It is little when it is recalled that during the year 1907-1908 Haiti exported 63,848,333 pounds of coffee, 5,889,504 pounds of cacao, 3,389,823 pounds of cotton, 291,166 pounds of goat skins, 110,133,962 pounds of log-wood; 125,616 pounds of honey, 150,636 pounds of beeswax, 95,567 pounds of maguey, 4,865 pounds of peanuts, 28,673 feet of mahogany, etc.

An effort should be made looking to the development of our exports to the United States, especially in respect to our coffee.

Coffee, which is the principal product and export of Haiti, is shipped principally to Europe, to France, where it commands a higher price than in the United States; the greater part of our cacao also goes to Europe, and this in spite of the heavy customs duties, while these two products figure on the free list of the American tariff. The reason of this anomaly in regard to our coffee is that it does not command a good price in the United States, where the market is especially furnished by Brazil and Central America. Haitian coffee is of a very superior quality, and is much prized and sought by connoisseurs. In France, Haitian coffee is added to other brands, to Santos, for example, to improve the quality.

When Haitian coffee becomes more widely known in the United States, it will undoubtedly be equally appreciated and used, and the importation, which at present scarcely exceeds an average of four million pounds, will in time reach a much greater figure, especially as there are no customs duties levied on this important product.

In regard to our cacao, the United States, which is already an important market for Haitian cacao, is destined to become a still greater one, especially since an effort is being made in Haiti to constantly use greater care in the preparation of cacao, the lack of care in the preparation of cacao being one of the principal reasons in the past for the preference given to the similar products of our rivals.

To complete this commercial review, the following figures, taken from the year book of the Chamber of Commerce of Port-au-Prince, shows the total maritime movement of the ports of Haiti during the year 1907-1908 to have been 57,434.24 tons, distributed as follows:

France	7,357.13
Germany.....	31,664.43
England.....	2,429.60
Holland.....	15,881.78
Various countries.....	101.30
Total.....	57,434.24

These relations, thanks to the cordial relations which have never ceased to exist between the two countries, and the real need they have for each other's products, Haiti for manufactured products and the United States for raw material, cannot fail to increase more and more to their mutual advantage.

In fact, for some time the Americans have been becoming more interested in Haiti. Haiti is ceasing to be a mythical country for them. Those who have had occasion to visit the Queen of the Antilles, and they are each day becoming more numerous, speak favorably of the natural resources of the country, of the hospitality of its inhabitants, of the beauty of its situation.

Already a change is noted in the American public opinion in regard to Haiti; the press also, formerly so systematically hostile, already speaks of Haiti with impartiality, and even with sympathy at times.

This new feeling cannot fail to bring about an increased movement of trade between the two neighboring republics; the proof is found in the fact that American capital is beginning to flow towards Haiti; and recently numerous concessions have been granted to American business men.

The Wharf Company of Port au Prince is an American enterprise; an American has just obtained the most important railroad concession which has ever been granted by the Haitian Government. American banks figure in the financial syndicate which will this year establish a new State bank in the country and issue the new \$12,000,000 foreign loan.

This is a first step; it will be followed by many others. There is no doubt but what the commercial movement between the two countries will constantly increase. Every effort of the Haitian Government tends towards attracting foreign capital in order to establish railroads, exploit the agricultural as well as the mining

resources of the country. Consequently there is very near to you a vast field of action open to American energy and capital.

DIRECTOR GENERAL BARRETT: Will someone ask some direct, important question?

MR. LINDEMAY: Is there any railroad construction at the present time going on in Haiti?

DIRECTOR GENERAL BARRETT: Will Mr. Adams answer that question?

MR. ADAMS: The most recent construction is the opening up of the interior of Haiti with a railroad across the entire island. It is being surveyed. Mr. McDonald of New York has secured a concession to build a railroad connecting the capital, Port au Prince, and running right through to Cape Haitien on the north. This will be about 186 miles in length and will open up a most fertile country. The concession has been granted, the surfacing up is being made, the money found in New York, and they believe that inside of two months they will have the rails started.

MR. LINDEMAY: Is the concern who is financing that road in Haiti or are they New York concerns?

MR. ADAMS: The McDonald concern have not stated where they got the money, but they said the money has been found in the United States. Surveying parties are out and have surveyed practically the entire line. Then, with that railroad concession, an important concession for raising bananas along the side of the road has been granted, and they believe that they will be able to put bananas into the North American ports at a much lower figure than any other fruit coming to those markets.

MR. EASTON of New York: Do you happen to know if there will be any railroad shops built there in connection with that railroad?

MR. ADAMS: Yes, there are railroad shops at present at Port au Prince for a small railroad running out in two directions from the capital. They will have three railroad shops on the island.

MR. MARSH of New York: Is salt mined in Haiti and exported? I understand it is mined in Santo Domingo. Is it in Haiti?

MR. ADAMS: They have some salt in Haiti, but they do not export. They have some salt veins, and they also have some salt pans.

MR. EDW. F. KELLIER, The Latin American Development Co., of New York: Can you give me some information in regard to electrical plants in Haiti?

MR. ADAMS: There has been a concession granted to Mr. Archer of New York for an electric plant in Port au Prince, and that has been installed; and also at Cape Haitien, the second city on the north, and the poles were being erected when I was there three months ago. There is to be a third plant in Aux Cayes, on the southern coast. Those plants are all in operation now. United States machinery is used throughout, and the poles came from the United States also. They used iron poles.

MR. J. D. MASSEY of Eagle and Phoenix Mills, Columbus, Ga.: I would like to know what you think of the outlook for cotton goods in Haiti, and what grade in particular—that is, whether fine, medium or coarse.

MR. ADAMS: I was quite surprised when I went into a big store in Port au Prince and saw them selling large quantities of blue denim; and as the man who was managing the store was a German, I asked him where the goods came from. He said from Lawrence, Mass., and I know it is very popular goods among the peasants. I said to him: "Why did you not procure it in Germany?" He replied: "I did send samples over to Germany to the factories there a half a dozen times, and they cannot meet it on price or quality." So that, the blue denim, is used for the best class, from the United States. As you noticed from the chart of Haiti in the rear of the hall, we have gained a great deal there. The coffee goes to Europe, and it commands a higher price there.

MR. MASSEY: I would like also to ask whether this denim is used also in Latin America?

MR. ADAMS: A great deal is used in Honduras, in Santo Domingo and Haiti.

QUESTION: What means of communication is there between Haiti and Cuba and other points?

MR. ADAMS: I went to Haiti and the Dominican Republic from Cuba. There are three lines of steamers, one going from Jamaica to Haiti, and another, a French line, once a month, has a steamer which leaves Santiago de Cuba and makes the ports of Haiti; and there is another line leaving Cuba, the Herrera line, that makes Santo Domingo without touching at Haiti, once a month.

MR. BOAGE of Detroit: I understand that French is the language. Is there any commercial advertising in that language?

MR. ADAMS: French is the language of the island, and all advertisements in the papers are in French, but in the stores in the principal cities the owners speak many languages, and they have correspondents in all parts of the world in every tongue.

QUESTION: Have they water-works and gas works, and do they use meters?

MR. ADAMS: No, they have not used meters in Haiti or Santo Domingo to any great extent, electric light plants doing the lighting. They have not gas in either Haiti or Santo Domingo.

MR. MASSEY: Has the Republic of Haiti been put in a sanitary condition like some of the other islands, notably Cuba?

MR. ADAMS: They have most elaborate plans for improving the sanitary conditions in matters of that kind. They have taken up sanitation and are proceeding along the lines which have been followed in Cuba, but have made no definite progress such as has been accomplished in Cuba, but they are on their way improving their cities continually, but the elaborate plans are yet to take place. They are going to spend a good deal of money in Haiti in just that kind of work. They realize the necessity for it and are doing it.

DIRECTOR GENERAL BARRETT: Are there any questions in regard to Nicaragua?

QUESTION: I should like to ask Dr. Hale if he can tell us if there are any opportunities at present in Nicaragua for the introduction of American goods in any special line.

DR. HALE: I should say not in special lines, because Nicaragua, of course, is at present in a condition of great commercial depression, and, judging from my experience there last winter, at the moment they get into an industrial stride, as they will certainly this coming spring, production will go on very rapidly. Then they will have money, and those who know the condition of credits in Latin-American countries know that even during a time of political disturbance the money is still in the country, and I think that now would be a very good time for a man carrying staples, shoes and wearing apparel, cotton goods, the smaller class of tools, particularly, ought to secure good returns. I cannot say that any one particular line would be indicated at present.

MR. ADAMS: We have just published in the bulletins a series of five articles written by a commercial traveler in Latin America, and he answers many questions that have been asked by people since he has returned, in regard to the articles which have been sold in Central America, and it is completed in this February number, which will be out tomorrow. The last article deals with the field as it exists, and makes many valuable suggestions.

QUESTION: Have they got a coinage in Nicaragua?

DR. HALE: They have no coinage. Paper money is used almost altogether. Of course, they have some old coins there yet.

MR. WILLIAM S. COX of J. & W. Seligman & Co., New York: What about the rate of exchange?

DR. HALE: A year ago the street rate was about 8 pesos to the gold dollar. I noticed that the exchange of 10 days ago was about 10 pesos to the gold dollar. It is going up slowly.

QUESTION: I would like to know if there is any particular reason why business in Haiti should be done through commission houses instead of direct.

MR. ADAMS: Well, I don't know just how to answer that question. The merchants in Haiti in many cases do deal direct with the manufacturers of the United States, and New York firms have their agents, who do charge a small commission. It is found by some best to hire the merchants in Haiti to assist them in collecting their goods from New York. There is no reason why you could not do it yourself if you can write in French. Of course, they can, most of them, read English. In Port au Prince many of those merchants come to New York every season and do their buying, and buy a great variety of goods. I was surprised to find how many goods not manufactured in the United States they use. You see from the chart that over half of the goods come from the United States right now.

MR. GUMPERT: Is the business conducted by foreigners or by natives?

MR. ADAMS: It is conducted principally by Germans and Frenchmen. I presume about 20 per cent. are Haitians in the principal cities. Throughout the smaller cities the percentage is much larger of Haitians.

(Thereupon at 5 o'clock P. M. the Convention adjourned for the day.)

WEDNESDAY, FEBRUARY 15—MORNING SESSION

The Conference was called to order at 9.50 o'clock A. M., by Director General Barrett.

DIRECTOR GENERAL BARRETT: Mr. Butman has made a very careful study of the boot and shoe trade in South America and will be very glad to meet any persons who wish to talk with him.

Will Mr. Graham Clark please come up front.

Mr. Clark has made a very careful study of the textile trade all over Latin America, as has Mr. Butman of boots and shoes.

Has any one a question they would like to ask right now right off the bat?

MR. LINDEMA: In reference to bids for Government work in South America, is there any place where these bids are advertised, or is the work done through a bidding method—works of public construction?

DIRECTOR GENERAL BARRETT: Is there any one who can answer that question?

MR. CHAS. A. POPE, International Silver Co., of Chile: Mr. Barrett, I can answer that question and say that it varies according to the countries, to some extent, but in the majority the same method is followed.

The usual method in Chile is to advertise in the public gazette, and in Buenos Aires the same method prevails. As a general rule, on all important contracts, sufficient time is given for local agents of Buenos Aires to communicate with their home concerns, although I have known cases where there was not sufficient time given, not even to take up the matter intelligently by cable, but the practice to submit bids by advertising in the *Gazette* is the usual thing, so far as I know.

MR. MANNING: The same rule prevails for Venezuela and Colombia. I would like to say that men who are doing extensive business in any of those countries, and looking especially for contract work, would be very wise indeed if they would subscribe to the official *Gazettes* of the various Republics in South America. They would not only keep in touch with all changes in the law, but they would keep in touch with every contract, every concession and every movement that is made in that country leading toward industrial development.

DIRECTOR GENERAL BARRETT: That is a very good suggestion about the *Gazette*.

MR. POPE: One important feature connected with it, too, that it may be well to remember is that both in Argentina, and I suppose in every other South American country, in putting in bids for railroad work or for government work they always exact a deposit as a guarantee of good faith, generally amounting to ten per cent. of the amount of the bid.

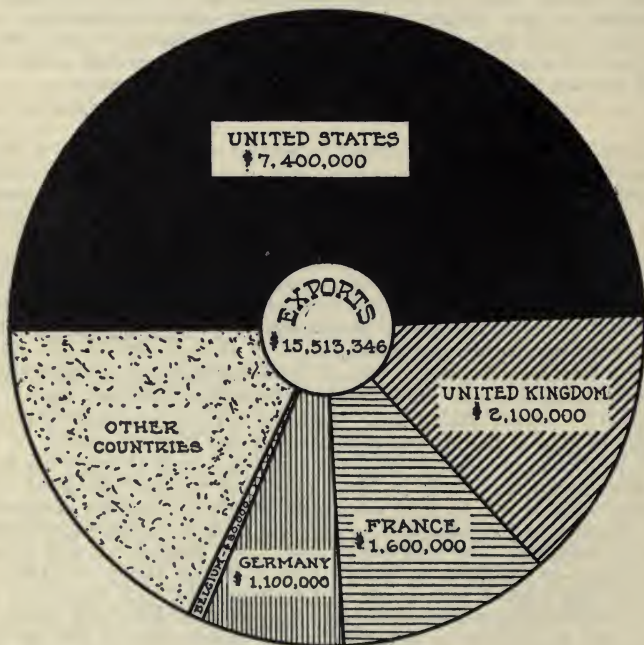
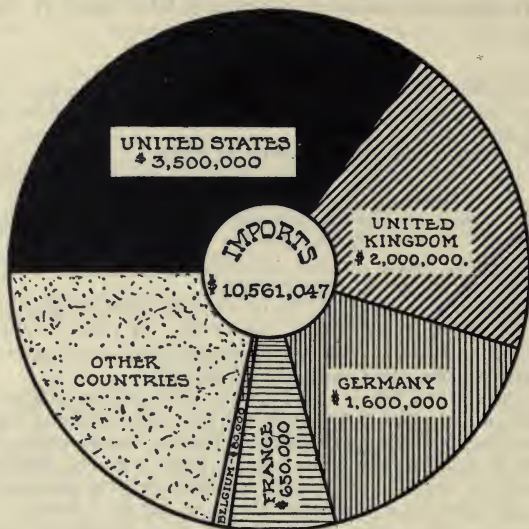
MR. JOHN A. OLT, Burroughs' Adding Machine Co., of Detroit: In reference to the discussion of the preparation of translations and of advertising matter in Spanish and Portuguese. I understand we have been discussing advertising, in a general way, but as to the matter of producing advertising in Spanish and Portuguese, will that matter be discussed today?

DIRECTOR GENERAL BARRETT: I don't think we will get to that except that as it comes up in open discussion. You would like to have some one reply?

MR. OLT: I would like to have some one tell us how that is done. I find great difficulty in getting high-priced papers to do that kind of work.

MR. J. E. BARBOSA: I think the most important thing is to get a good translation. You have plenty of houses in New York that can do very good translating. The important thing is not to send catalogues to South America composed in ungrammatical Spanish or Portuguese. As a matter of fact, we have catalogues of that kind in South America. The translator must know English as well as his native language in order to translate properly. You will find plenty of houses in New York that can take care of that work, and I should say with regard to advertisement that you have American magazines in this country which reach South America; but in some cases it is better to advertise in the dailies there if you do business in large cities such as Buenos Aires, Rio de Janeiro, Caracas or whatever territory.

• COLOMBIA •
 - COMMERCE - 1909 -
 \$ 26,074,393.



MR. OLT: I have particularly in mind the kinds of advertising matter that is considered the best. Most printing houses cannot prepare that advertising matter in a high degree of Castilian Spanish.

MR. BARBOSA: I should fancy not. You must remember that American ideas for advertisements cannot be translated very well. It is good to have a native compose that advertisement. You cannot translate American phraseology or advertising phraseology very well into Spanish or very well into Portuguese. The result is disastrous, but if you have a native and give your ideas to him and let that native compose it according to the instructions you give him, you will have very good results indeed; but if you have it translated from English into Spanish the chances are that—I do not want to use a slang expression or a strong expression—the advertisement will be rendered very poorly.

MR. MANNING: Specifically, in answer to the question as to whether he can have it done, the National Association of Manufacturers and the Commercial Museum of Philadelphia maintain bureaus specially equipped for the translation of any sort of matter that any member of their organization wants to send abroad, and usually I have found that their work has been absolutely satisfactory.

DIRECTOR GENERAL BARRETT: Did you give the address?

MR. MANNING: The National Association of Manufacturers, 170 Broadway, and the Commercial Museum of Philadelphia.

MR. BARBOSA: The main question has not been answered. You asked this question, as I understand it, whether advertising matter written in good Spanish would be the proper thing and well understood in all South American countries where Spanish is spoken. Is that what you asked?

MR. OLT: If you are going to print that in ten different countries, you certainly do not want to have ten different translations on each one.

MR. BARBOSA: If you write a circular in the Spanish language it will be perfectly understood; in fact, it would be very incorrect to write it in anything else; the difference is so slight. Take Chile, Argentine, and I believe Colombia, whose people write and speak some of the best Spanish on the South American Continent. In Brazil, of course, it is Portuguese, a totally different language; but from what I have seen in South America circulars and advertising matter should be in as perfect Spanish as spoken in Spain.

DIRECTOR GENERAL BARRETT: I think there has been a little misunderstanding of the question. I can say explicitly on that point, from my experience as Minister in several of those countries, and from my experience at the head of this institution, that any circular written in first-class Spanish will be understood in all Latin American countries, the only exceptions being Brazil, and there you must have Portuguese, and Haiti, where French is spoken. It is a great mistake to send Spanish catalogues or circulars to Brazil. The language of Brazil is Portuguese; of Haiti, French, and the language of the other eighteen countries of Latin America is Spanish.

MR. L. A. KIMBALL, Simmonds Manufacturing Co., New York: Answering Mr. Olt, in reference to translations of publications, circulars, catalogues and that kind of material he wants to be circulated in South America, I can tell him that there are a dozen publishing houses in New York that have technical translators for any language on the globe, and they are prepared to issue from start to finish complete printed matter covering all the details.

DIRECTOR GENERAL BARRETT: We have with us Mr. Osborne, the Chief of the Bureau of Trade Relations of the State Department, and I am sure you are all very glad to have him here. The Bureau of Trade Relations of the State Department is doing a great work under his direction, and I know that his suggestions will be of a very practical and valuable kind. I hope you will give Mr. Osborne very close attention, and he will be very glad to answer questions at the conclusion of his ten minutes.

ADDRESS OF MR. JOHN BALL OSBORNE, CHIEF OF BUREAU OF TRADE RELATIONS, DEPARTMENT OF STATE

MR. OSBORNE said:

I esteem it a great privilege to stand here before you. I did not anticipate occupying this conspicuous position, and I therefore had not prepared any address, but it has occurred to me to make some remarks to you respecting the removal, so

far as practicable, of the various impediments which exist to the development of commercial intercourse between the United States and the countries of Latin America, and which have been suggested to me in an experience of some years in the Bureau of Trade Relations of the Department of State.

Economists in building up a theory of international trade attempt to draw a distinction between domestic and international trade. They define the former as trade taking place within an economic trading body wherein the agents of production, that is, labor and capital, circulate freely, while the latter is described as trade between different economic trading bodies, between which there is comparative immobility as regards the productive agents, attributable to the various impediments to commercial intercourse, such as cost of transportation, arising from relative geographical situation, tariff barriers, differences of race, language, institutions, etc. While it cannot be denied that the primary conditions upon which the theory of immobility of the agents of production is predicated still exist in the relations between the United States and the countries of Latin America, it is a gratifying fact that the Government of the United States and the American business community are working earnestly toward the removal or amelioration of all impediments to close an extensive trade and social relations with the Latin American nations, composing the Pan American Union, so that the old definition of international trade is becoming less and less applicable.

There are, of course, some impediments to transfer which cannot be entirely removed, particularly those imposed by geographical distance, although even here the difficulty can be minimized by the establishment of regular and speedy shipping facilities under the American flag, such as is proposed by the Gallinger amendment—now pending in Congress—to the Postal Aid law of March 3, 1891, and by the building of the great intercontinental railway system. There is no serious difficulty in respect to diversity of political institutions, for the basic ideas are the same in the organic laws of all the constituent members of the Pan American Union. Even the differences of language and denominations cease to be obstacles when the manufacturers and exporters of the United States follow the time-honored advice of our consular officers in respect to these matters.

There remains, then, to consider only the question of tariff barriers as an impediment to transfer. But before speaking on this topic I should like to refer briefly to the evidences of the great mobility of capital in circulating from the United States to the other members of the Pan American Union, thus demonstrating the inapplicability of the old definition of international trade. Capital flows freely from the United States to every country in Latin America whenever a favorable opportunity for investment arises; nor is it necessary, as formerly, that the rate of interest shall be abnormally high in order to tempt it. In view of the well known abnormal timidity of capital in the face of even a suspicion of danger, it is apparent that this new condition of affairs, so gratifying to the Pan American Union, is due to the sense of security which attends the maintenance of law and order, guaranteed by stable governments, and it testifies to the great advance made in recent years by Latin America. According to the most competent authorities a conservative estimate of the amount of capital of citizens of the United States invested in Latin America is in the neighborhood of \$1,122,500,000, of which \$750,000,000 is in Mexico, \$150,000,000 is in Cuba, \$50,000,000 in Brazil, \$40,000,000 in Argentina, \$35,000,000 in Peru and \$40,000,000 in Central America. I have here a detailed statement of the distribution of this capital by countries (Table A annexed hereto). The investment in Latin America of such a vast amount of United States capital is perhaps the greatest existing factor in the development of the export trade of the United States with Latin America.

Our thoughts naturally revert, on this occasion, to the memorable Pan American Conference of 1899, out of which grew the splendid and efficient Pan American Union. At that conference, presided over by Secretary of State Blaine, there were seventeen Republics of America represented. Fifteen of these expressed themselves formally in favor of closer reciprocal commercial relations with the United States, and the other two gave their conditional approval of the movement.

Now, to outline briefly some of the results of that movement: The so-called Blaine reciprocity agreements, which were concluded by the President of the United States under the authority of section 3 of the McKinley tariff law of 1890 with several countries of Latin America, achieved wonderful results during the brief time in which they were in operation, namely, from 1891 to 1894, being all abrogated by a provision in the Wilson tariff law of the latter year. The total exports of the

United States to Latin American countries in 1891, before the reciprocal period, were valued at \$90,000,000; in 1893, in the midst of the reciprocal period, they rose to \$103,000,000, and in 1895, immediately following the reciprocal period, they fell to \$88,000,000. Clearly these figures are significant of the benefits of reciprocity between the United States and the countries of Latin America.

When we speak of the trade of the United States in South America, we endeavor to express it in the percentage shares enjoyed by the competing nations in the distribution of the import trade of the various countries. For the purpose of these remarks I have compiled a brief table which, it seems to me, shows very effectively that the efforts of the United States Government and the efforts of the Pan American Union, supported by the efforts of the American business public, have not been in vain since 1889, the date of that memorable conference at Washington, when the attention of the American people was first focused on the trade possibilities in Latin America, and especially since 1904, when unusually strenuous efforts began to be put forth for the extension of our commerce with the countries composing the Pan American Union.

Let us first take Brazil: The percentage share of the United States in the total import trade of Brazil in 1889 was only 5.5 per cent.; in 1904 it was 11.1 per cent., and in 1909 it was 12.4 per cent. The percentage share of the United States in the import trade of Argentina in 1889 was 10.2 per cent; in 1904, 13 per cent., and in 1909, 14.2 per cent. In the case of Chile the percentage rose from 5.9 per cent. in 1889 to 8.9 per cent. in 1904, and 10 per cent. in 1909. I have not the figure of 1889 for Peru or Colombia; but in the case of Peru our share in the import trade rose from 17.4 per cent. in 1904 to 21.5 per cent. in 1909; in Colombia from 24.1 per cent. in 1906 to 32.9 per cent. in 1909; and in Venezuela from 24.8 per cent. in 1904 to 29 per cent. in 1909.

Taking all of South America the percentage share of the United States in the total import trade rose slowly but steadily from 7 per cent. in 1889 to 11.2 per cent. in 1904 and to 14.3 per cent. in 1909. These are not shares, but the outlook is encouraging for a better showing in the near future. (See Table B herewith.)

Clearly, it is a game that is well worth while when we consider the tremendous efforts being made by our principal competitors in neutral markets, backed up by their respective governments, particularly the efforts of the Germans and the British and the French and the Italians to hold the advantages that they have so long possessed in South America and to improve those advantages. It seems to me that the trend of the trade is significant, for the development of our percentage shares in the import trade of the various countries in South America indicates a corresponding displacement of the European nations with whom American exporters compete in those markets.

Taking the statistics of the South American countries for the latest available year (1909 for the most part) we find that the total imports into all South America were valued at \$703,042,000, of which \$100,656,000, or 14.3 per cent. came from the United States. On the other hand, the exports from all South America to the world were valued at \$965,875,000, of which \$198,309,400, or 20.5 per cent., were shipped to the United States.

I desire to say something respecting the extremely promising field for the application of the principles of commercial reciprocity in the relations between the United States and the countries of Latin America. In general, there is no conflict of industrial interests between the United States and those countries. They produce staples from the soil and the forests and the mines which we do not produce at all, or in sufficient quantities, but which we require. We manufacture finished products of necessity and luxury which they do not make, but which they seek in foreign markets. This relative economic situation will explain the present great inequality in tariff treatment between the United States and the different countries of Latin America. For example, 99.2 per cent. of our imports from Brazil in 1909 were admitted into the United States free of duty; 99 per cent. from Chile; 90.65 per cent. from Peru, and 83.8 per cent. from total South America.

As regards importations into the United States from Central America, the showing is even more uniformly striking, for 96.5 per cent. of the importations were admitted free of duty. The percentage of free goods from Mexico was 78.6 per cent. and from Haiti 99.3 per cent. From Cuba, however, only 3.52 per cent. of the imports were on our free list, although it is important to note that a flat preferential tariff reduction of 20 per cent. was enjoyed by all other Cuban products entering our market. If we leave Cuba out of consideration the per cent. of free importations

from all Latin America was 83.1 per cent. in 1909, or, including Cuba, 59.3 per cent. (Table C herewith.)

On the other hand, if we take the statistics of the various governments of Latin America we find that fully 75 per cent. of the importations of the products of the United States into those countries were subject to tariff duties. It is safe to say that the average dutiable rate imposed on these products which, as I have already said, were mostly finished manufactures, is 25 per cent. ad valorem, while there are numerous classes of products that pay 50 per cent. and more. For example, the average ad valorem rate on dutiable importations into Brazil from the United States is 50 per cent.; in the case of Argentina 32.1 per cent.; Uruguay 36.4 per cent. and Mexico 29.2 per cent. As regards the proportion of dutiable to total imports, the Argentine Republic imposes import duties on 76.4 per cent. of her total imports from the United States; Mexico on 79.5 per cent. and Uruguay on 92.8 per cent.

As I have stated, it seems to me that these statistics demonstrate that the reciprocity policy might be advantageously applied in the tariff relations between the United States and Latin America, thereby encouraging the development of trade intercourse between all nations in the Pan American Union. I thank you for your attention.

TABLE "A"

Distribution by Countries of Capital of Citizens of the United States Invested in Latin America

<i>South America:</i>		
Argentina.....	\$40,000,000	
Bolivia.....	10,000,000	
Brazil.....	50,000,000	
Chile.....	15,000,000	
Colombia.....	2,000,000	
Guianas.....	5,000,000	
Ecuador.....	10,000,000	
Peru.....	35,000,000	
Uruguay.....	5,000,000	
Venezuela.....	3,000,000	
Total South America.....	\$175,000,000	
<i>Central America:</i>		
Costa Rica.....	\$7,000,000	
Guatemala.....	20,000,000	
Honduras.....	3,000,000	
Nicaragua.....	2,500,000	
Panama.....	5,000,000	
Salvador.....	2,500,000	
Total Central America.....	\$40,000,000	
<i>North America:</i>		
Cuba.....	\$150,000,000	
Haiti and Santo Domingo.....	7,500,000	
Mexico.....	750,000,000	
Total North America.....	\$907,500,000	
Total Latin America.....	\$1,122,500,000	

TABLE "B"

Percentage Share of the United States in the Total Import Trade of South America and Certain South American Countries

	Brazil	Argentina	Chile	Peru	Colombia	Venezuela	All S. A.
1889	5.5 (a)	10.2	5.9	(b)	(c)	22.9	7.0 (f)
1894	19.8	10.9	6.9	10.3	(c)	28.4	11.7
1899	21.6	13.2	7.7	10.2	(c)	32.0 (e)	12.8
1904	11.1	13.0	8.9	17.4	24.1 (d)	24.8	11.2
1909	12.4	14.2	10.0	21.5	32.9	29.0	14.3

(a) The percentages shown underscored are derived from import statistics of the South American country in question and export statistics of the United States; those not underscored are derived from import statistics alone and may therefore be considered quite correct.

(b) No statistics of any kind seem to be available.

(c) The Colombian statistics for these years are expressed partly in currency and partly in gold, with a resulting confusion that makes comparison impossible.

(d) 1906.

(e) 1898.

(f) The figures shown in this column can be no more than approximations.

TABLE "C"

Tariff Treatment of Latin American Imports into United States

South America:

	Free	Dutiable	Per Cent. of Free
Argentina.....	\$3,745,600(a)	\$18,484,700(a)	16.85%(a)
Bolivia.....
Brazil.....	97,261,900	791,000	99.20
Chile.....	13,581,300	131,000	99.00
Colombia.....	6,730,000	937,000	86.60
Ecuador.....	2,422,700	307,600	88.70
Paraguay.....	17,000	100.00
Peru.....	5,789,000	597,000	90.65
Uruguay.....	385,000(a)	3,342,000(a)	10.30 (a)
Venezuela.....	7,199,800	1,113,800	86.60
Total South America...	\$137,308,300(b)	\$26,570,400(b)	83.79 (b)

Central America:

Costa Rica.....	\$2,654,400	\$56,000	98.00
Guatemala.....	3,097,300	51,000	98.40
Honduras.....	2,123,300	27,000	98.70
Nicaragua.....	850,000	154,800	84.60
Panama.....	1,594,800	82,000	95.10
Salvador.....	934,800	35,300	96.40
Total Cent. America...	\$11,204,600	\$406,500	96.50

North America:

Cuba.....	\$3,404,400	\$93,317,800	3.52
Haiti.....	522,400	3,500	99.30
Mexico.....	37,518,000	10,194,200	78.60
Santo Domingo.....	2,063,200	1,590,700	56.50
Total Latin America...	\$192,070,900	\$132,083,100	59.30 (c)

(a) Subtracting from dutiable imports and adding to free imports the value of hides, which were made free by the last tariff act, the following revised figures for Argentina and Uruguay are obtained:

Argentina:

Free imports, \$10,927,100.
Dutiable imports, \$11,303,100.
Percentage of free, 49.2.

Uruguay:

Free imports, \$2,587,800.
Dutiable imports, \$1,524,100.
Percentage of free, 70.00.

(b) Allowing for change in hides as noted above, revised figures for all South America are as follows:

Free imports, \$146,692,600.
Dutiable imports, \$17,186,100.
Percentage of free, 89.50.

(c) Were Cuba left out of consideration the per cent. of free imports for all Latin America would be 83.10 per cent. If, in addition, change as to hides be also taken into account, the per cent. of free imports would be 87.20 per cent.

DIRECTOR GENERAL BARRETT: I want you to draw out Mr. Osborne on some of the matters—I mean on points suggested by his address here. He has a great

many other things that he has not brought out, but I would like to have you ask him some practical questions.

MR. COFFIN, of Cincinnati: I have a practical question. Has Mr. Osborne, or rather his department, charge of the preparation of a new directory of the Latin American countries?

MR. OSBORNE: The material for it is secured by the Department of State from the consular officers, and transmitted to the Bureau of Manufacturers of the Department of Commerce and Labor, by which it is published.

MR. COFFIN: May I ask if at the last practical moment the lists for the different countries will be re-submitted to the various consular officers for correction down to the last moment?

MR. OSBORNE: We have been transmitting them, at the request of the Department of Commerce and Labor, to the consular officers for revision for some months past, and we have understood that the bulk of the directory is in the hands of the printer. I am unable to state authoritatively on the latter point.

MR. COFFIN: Then the proof sheets will hardly go to the consular officers, will they?

MR. OSBORNE: I have not heard of such intention.

MR. COFFIN: Of course it will be a great advantage if the exporter could absolutely rely on that being done, as nearly as possible, up to the date of publication.

MR. OSBORNE: One point has just occurred to me of an encouraging character. We have in the Bureau with which I have been connected for some years the handling of cases of complaints on the part of the American business public as respects tariff treatment, especially tariff classification in any part of the world. I have noticed that in the last year or two there has been a significantly less number of complaints on the part of American business men respecting Latin America in comparison with those which we formerly received. That is especially true with reference to alleged vexatious treatment and wrongful tariff classification, and I think it means two things: First, that they have a more scientific and efficient administration in the several countries of Latin America, and, secondly, that our people understand the requirements better.

MR. POPE: I should like to ask a question of the gentleman. Is it your individual opinion that this increase of trade noted by yourself during these years is attributable to any practical measure of reciprocity that is in existence between ourselves and any of the South American countries outside of Brazil?

MR. OSBORNE: No, because we have no reciprocal arrangement with any country of Latin America at this moment, with the exception of Brazil, which grants us preferential tariff treatment on about fifteen classes of our goods.

MR. COFFIN: But there has been some reciprocity measure enacted with Brazil in connection with the admission of coffee from the South, and so forth, and admitting our flour there under lesser duties quite recently.

MR. OSBORNE: We extend to Brazil the statutory minimum tariff of the United States at the present time, and nothing more.

MR. COFFIN: Then it is to be supposed that if measures were taken for a reciprocity arrangement with these countries that there would be a large increase of business, because we must give and take; and if that is so, would it not be possible, or is it not possible for this institution to take an active part in negotiating such measures?

MR. OSBORNE: I should say so. Speaking for myself, and being responsible for my own expression of opinion, I need make no apology for favoring emphatically the policy of commercial reciprocity, because I was connected with the movement for seven years as a secretary of the Reciprocity Commission of 1897-1905.

MR. PHILIP J. FORBES of the De Haven Mfg. Co., Brooklyn, N. Y.: What percentage of the imports of Latin America pay any duty at present?

MR. OSBORNE: A very small percentage. I have the figures. Of the total imports into the United States from Latin America, according to the latest available statistics of the United States, 59.3 per cent. were admitted free (omitting Cuba the percentage of free imports is increased to 83.1 per cent., as above stated).

DIRECTOR GENERAL BARRETT: Practically 60 per cent. That is very interesting.

MR. OSBORNE: But take South America alone. We admit from there 83.8 per cent., let us say 84 per cent., free of duty.

DIRECTOR GENERAL BARRETT: That is very interesting, that already 84 per cent. from South America comes in free of duty.

MR. OSBORNE: Then, from Central America 96.5 per cent. are admitted into the United States free of duty.

DIRECTOR GENERAL BARRETT: I do not think those figures are generally appreciated. I believe they ought to be brought out rather strongly, in order to overcome the impression that prevails that there has not been perhaps as much consideration of that fact as there should be.

MR. OSBORNE: The general average for total Latin America is brought down very much by the introduction of Cuba, because only 3.5 per cent. of all our imports from Cuba are admitted free of duty. Of course, we give a preferential tariff reduction of 20 per cent. in favor of all dutiable imports from Cuba, and, as you all know, the 20 per cent. reduction in favor of Cuban sugar and tobacco involve the annual remission of revenue of something like \$12,000,000 a year on the part of the United States.

MR. CLARK, of Youngstown, Ohio: Which do you consider the most serious obstacle to trade development between the United States and South America: The tariff imposts or lack of adequate shipping facilities?

MR. OSBORNE: The lack of adequate shipping facilities, for, as regards tariff treatment, the United States enjoys complete equality of treatment with European competitors in the markets of South America. There is no discrimination. All countries pay alike. With respect to the shipping facilities, however, we are not on an equality, as Mr. Baker well knows.

MR. KRAUSZ: Do you know anything about the treatment of travelers' samples received in South America?

MR. OSBORNE: Yes, Mr. Krausz, there is a very interesting little pamphlet which has been gotten out by the Bureau of Manufactures on the subject of commercial travelers, regulations covering admission of commercial travelers and samples into foreign countries, published in 1908. Have you ever seen that publication?

MR. KRAUSZ: I have not seen that pamphlet. I would be very interested to see it.

DIRECTOR GENERAL BARRETT: That pamphlet has proved very useful, Mr. Krausz, and very valuable, because I know that from hundreds of manufacturers that have reported to us that they have found it very useful.

MR. OSBORNE: Under the head of "South America" we have the regulations of Argentina, Bolivia, Chile, Colombia, Ecuador, Falkland Island, Guiana, Paraguay, Peru, Uruguay and Venezuela.

MR. KRAUSZ: I hope some of these have been remedied between 1900 and 1911, because I had some very sad experience in regard to that.

DIRECTOR GENERAL BARRETT: That is an interesting suggestion, and we are glad to know of that.

MR. FORBES LINDSAY: There is no discrimination against American manufacturers as compared with European manufacturers in transportation matters in the rates, of course.

MR. OSBORNE: I was thinking particularly of the fact that the European shippers had the advantage of having more frequent and more rapid shipping communication with South America than I was of the question of discriminations.

MR. FORBES LINDSAY: Is it not a fact that they do discriminate in the matter of rate?

MR. OSBORNE: I have frequently heard the statement made that they do.

MR. LEONARD S. SMITH, of the Am. Laundry Machine Co., Cincinnati: Is it not a fact that the rates from Germany are, generally speaking, about half of what they are from New York—steamer rates?

MR. OSBORNE: I have heard that statement.

MR. SMITH: I know it to be a fact.

MR. CLIFFORD, of Pittsburg: How can your pamphlet be obtained, Mr. Osborne?

MR. OSBORNE: On application to the Chief of the Bureau of Manufactures, under the Department of Commerce and Labor.

MR. LINDEMAY: Mr. Osborne, in reference to the Gallinger amendment to the laws of 1891, will you kindly state briefly the substance of that amendment?

MR. OSBORNE: It simply moves up the 16 knot vessels up to 20 from two to four dollars.

DIRECTOR GENERAL BARRETT: Mr. Baker, presently, is going to give us a little talk on this very subject here this morning.

MR. PROTZMAN, of Indiana: I would just like to ask the gentleman what per cent. of the total trade of the United States is foreign.

MR. OSBORNE: What per cent. of the foreign trade with Latin America?

MR. PROTZMAN: No, sir; I just want to know what per cent. of the trade is foreign and what per cent. is domestic.

MR. OSBORNE: As respects shipping?

MR. PROTZMAN: As respects everything.

DIRECTOR GENERAL BARRETT: We are not discussing that today—purely trade with Latin America. I wish we had time, but every moment is so valuable that we must take up only matters germane to the issue. Are there any other questions?

PROF. WILLIAM R. SHEPHERD of Columbia University: Mr. Osborne, is it not true that we are a parcels post country?

MR. OSBORNE: We are, most decidedly.

PROF. SHEPHERD: And that Brazil extends us preferential treatment on fifteen articles?

MR. OSBORNE: That is true.

PROF. SHEPHERD: Then why is our percentage of trade so small?

MR. OSBORNE: Of course, the articles in respect to which we receive preferential treatment, with the exception of flour, are not among the leading articles that we supply to Brazil; and then it is true that the reduction in number of American products of Brazil, although considerable, and although valuable as being preferential in respect to the United States alone, is not enough in some cases to reduce the duty to the point where the United States can sell extensively to it. I should say, however, that the best answer to your question is the superior advantage possessed by the European countries who have been so long in possession of an important share of that trade.

PROF. SHEPHERD: Would that same answer apply to the conditions in the north, with which our trade is much better, or in Argentina, where the percentage is over 14, and we are not Argentina's best customers, and Argentina does not accord preferential treatment?

MR. OSBORNE: In respect to the countries with which we have high percentage of export trade, those countries along the northern coast of South America, I think Mr. Baker could touch on that point and show that the operation of the postal aid law of 1891 has had some effect in giving the United States a decided advantage over European countries.

DIRECTOR GENERAL BARRETT: I do not want to stop this discussion, but to each address we have a limited amount of time to give. Mr. Osborne has kindly consented to prepare a paper embodying his figures and statistics, which are very elaborate and carefully prepared, to be in our printed record, which will be very useful to you all.

We are very fortunate this morning in having here to address us Hon. Huntington Wilson, the Assistant Secretary of State.

ADDRESS OF HON. HUNTINGTON WILSON, ASSISTANT SECRETARY OF STATE OF THE UNITED STATES

Mr. WILSON said:

Gentlemen of the Pan American Commercial Congress: I was hoping all day yesterday to have the pleasure of saying a few words to you, but each time I started to come, something had turned up in the department that stopped me. This may be surprising to those who have the old-fashioned idea of departmental life, but from my observation of it I have concluded that when I am broken down with work I shall become a business man as a rest cure.

I understand that the object of this conference is to bring into contact for the exchange of views our own officials and business men and officials and business men of the Latin American countries; and I should think that would serve a very useful purpose indeed. I did not hear the addresses of yesterday, and I am very much afraid that you have already heard as much speaking as you can stand.

I think it is so very important that officials of the branches of our government having to do with foreign commerce should be in close communication with American business men, and I regard this as so important an opportunity for officials of the Department of State to talk with American business men, so well

represented here, that I am sure the foreign diplomatic or other foreign people here will excuse me if I address what little I have to say to my own countrymen.

Of course, the Pan American Union, this very useful institution, belongs equally to the twenty-one republics and is bound to serve the interests equally of all. I wish I could impress upon the American business men that there is a building across the street, the Department of State, in which they have not the twenty-first interest, but which is wholly at their service in the great work of expanding our commerce.

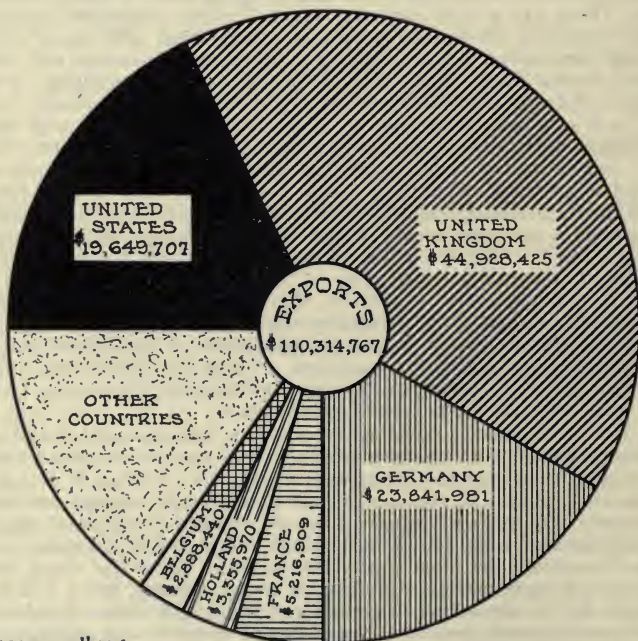
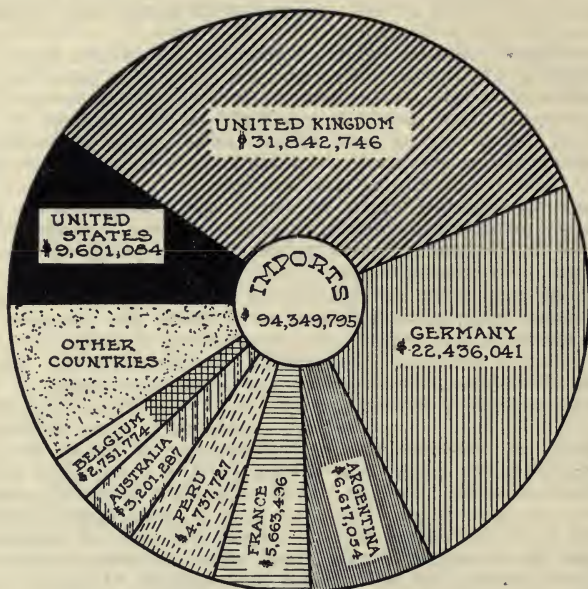
I want to speak a little about the foreign service in that sense. It will not be to speak entirely of what is only our own interest to speak of the foreign service, because every country is interested in having a good foreign service of its own. Every foreign service should be composed of fair samples of the national citizenship. They are the people who are in the international showcase, for one thing. The American foreign service we want to have thoroughly American, thoroughly familiar with the conditions and interests of our own country, and with just that measure of cosmopolitanism necessary for its fitness in the foreign field. Foreign service is of general interest everywhere, too, because just as peace depends on good understanding, good understanding depends upon intelligent reflection of the policies of government.

Before going back to the foreign service I would like to speak a little about foreign trade—some general points about it. I think the presence of so many American manufacturers and experts as have attended this conference shows that the American business men are now realizing the necessity for getting hold of foreign markets. Of course, the President has pointed out lately that this country will soon be an importer of foodstuffs probably. If we do not expand our export of manufactures, who shall we pay for the foodstuffs? And, it should not take much foresight to see that although foreign markets may not be very essential or even very important to us today, that if they are still to be there when they are necessary for our economic existence we must secure a foothold now. The open door of commercial opportunity will not stay open if no one goes in and out. Your competitors will be so intrenched that when you are ready to consent to go into the foreign field the strong habit of placing orders in other countries will have created conditions where it will be infinitely more difficult, if not impossible, to get in. The obstacles, such as lack of banks and shipping lines, I know have been fully touched on. There are a few ways in which I think American business might prosper more promptly in foreign countries. Beginning with some of the more hackneyed and well-known points, I noticed day before yesterday that Mr. Farrell of the United States Steel Corporation defended American packing. I could not help thinking or fearing that his optimism might be due to the sturdy character of the product he is especially interested in. I personally knew of a large shipment of glassware shipped to Chefoo, China, which was so wretchedly packed that it was all smashed; and such unfavorable terms had been given that the Chinese merchants were expected to pay, and when they called for redress they were referred to the head of this firm's stationery, saying, "All breakage at risk of consignee." Now, just here there is a practical point. Some what you might call well-trained commercial nations have a regular system of survey, in which the consul has certain authority; and if a merchant complains at the port of arrival of that country's product that it arrived in bad condition, there is a committee composed of the consul and reliable citizens of the exporting nation, and if they say it was the fault of the shipper the shipper can be forced to make good. I think it is very necessary that we should have some such arrangement, or that our merchants should themselves find some way to ostracize and punish the individual firms who, by their own carelessness, will queer the whole line of products.

Also, the point about extending credits has been touched upon, of course. Most of these points are so very hackneyed through years of consular reports.

The point of the commercial traveler brings me to what I consider one of the most important phases of the subject. It is, of course, absurd for this country to try to compete without sending, as others do, trained commercial travelers who know the language and know how to get things before different peoples in the most agreeable, and therefore the most successful manner. Naturally, every firm cannot have a commercial representative traveling in every country, but I fail to see why different people in the same line, for instance—shoes and cotton goods—could not combine and send trained agents to the different countries on some arrangement to divide the business among themselves. There is so much opportunity at home

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it is not easy to get proper men for agents, but it has occurred to me that the surplus of the men who pass the consular examination would be excellent material. They are obliged to know foreign languages, they have to know a good deal about business affairs to pass, and it is the rule of the department to keep fifty or sixty more than there are vacancies on this eligible list. It is a very good opportunity for young men. We hear so much about combination. It seems to me that the field of foreign commerce is the ideal field for combination—not combination in restraint, but in promotion of trade, for the widest sort of combination. That would enable the people in the same line to have these representatives everywhere. It would lead to other things. When a government places a foreign loan, very often the money is required for public works, battleships, railways—whatever it may be. If we had an ideal co-ordination of effort in the foreign field it could be suggested at the same time to the foreign government, "Yes, we will make the loan if you will take our materials for these public works." We should have the manufacturer, the banker, the exporter, in intelligent accord for such business. We are such hopeless individualists that it may sound Utopian to suggest such a thing, but exaggerated individualism has no place in promoting the foreign trade in a patriotic and scientific manner; and if we are going into this thing we shall have to take a leaf out of the book of the advanced nations in this particular sphere. The most expert nations in foreign commerce are organized so that the whole economic fabric, industrial, financial, commercial, through the Chamber of Commerce and other organizations, is linked up with the proper departments of the Government; so that when there is a development in this line or that line, a foreign loan associated with public works, the opportunities are quietly and intelligently passed to those who might avail of it, and the whole economic energy of that country presents an undivided front in the foreign field—and that is what the United States will have to meet.

I think we have too many organizations which talk and dine, and not enough real co-operation—scientific co-operation.

Taking for granted that you gentlemen want to see our foreign trade grow, and that you think that your Government can be of some assistance in the matter, I would like to speak a little bit about that. In general, of course, the way the Government can assist is by having an efficient foreign service. Now, how can we get an efficient foreign service? The foundation of an efficient foreign service must be an efficient Department of State; and Secretary Knox, at the beginning of this administration, completely reorganized our Department of State. Formerly there were not enough men to give attention to all the important things, and there was no system. At present we have big Bureau of Trade Relations, greatly increased; we have the Division of Latin America, the Division of Near Eastern, the Division of Far Eastern and the Division of Western European Affairs. In each one of those we have men who have served in the countries concerned, who have recent direct knowledge of the conditions, commercial and political, in every part of the world. You can see at once how indispensable that is. It makes it possible under the new regime to cultivate not only the far-eastern field, or, another year, the Latin America; but what Secretary Knox is trying to do is to have a sort of universal specialization to promote American interests as far as possible in each part of the world as if it were the only one. Of course, water cannot rise higher than its source. You might have the best possible consular and diplomatic service, and if you did not have an expert and specialized department to guide it, you might as well have none at all. So I think that was a very great step forward.

About the diplomatic service—I don't know whether there is anybody here who cherishes the pink-tea and gold-lace conception of diplomacy. I don't know whether the Director of the Consular Service is present, but if I had to say which branch of the foreign service did the more for commerce, I should really find it very difficult to estimate whether it was the diplomatic or the consular. I think perhaps the figures of the past two years would show that it was the diplomatic. As I said once before, it is the diplomatic service that makes the commercial arrangements, that creates the friendly feeling that results in American business where public works are concerned, that creates and maintains, in short, the conditions in which all the work of the consular service are possible. So I do hope no one will go on supposing that the diplomatic service is not a practical commercial machine, as well as the consular service is, in addition to its purely political duties.

I am sure you know enough about the various things in which the influence of the Government and enterprise of Americans have worked together in the last

few years. I will not recapitulate, but matters where you might say private enterprise and Government support worked together—I make it in the last two years—have totaled about \$120,000,000; and there being other fish to fry, I think that before long it might reach the \$200,000,000 point. The whole foreign service establishment costs the Government \$1,200,000.

How to get a good foreign service: Briefly—there are two bad systems, I think; one is the system where a man enters the service young and has only to grow old to be promoted; that is no inspiration, and he may find himself a minister or ambassador and be of no particular use. I do not know whether this is not just as bad, or very nearly as bad, as our old spoils system, where a man temperamentally disqualified for foreign service, as well as mentally, was as likely as not to find himself in a post requiring the greatest ability and technical training and the most delicate tact. Something between the two would be a foreign service where good, efficient men were sure of a career, and those who did brilliantly, and only those would be sure of going to the top of the career as ambassadors or ministers in the highest grade. That would, of course, leave open some embassies and missions for outside appointments, for which really eminent men would be chosen. It would only be an example of the law of supply and demand to point out that secretaries selected in our examinations are not *all* likely to turn out good enough to be ambassadors. That is the general principle on which the service has been going. Of course, Mr. Cleveland started with the first executive order establishing an examination. The consular service rests on the executive order of 1906, and the departmental and diplomatic personnel, so far as their efficiency is safeguarded, rests on the President's order of November, 1909.

About how those things have worked out—it is interesting to know that out of 63 appointments made under the new regime in the consular service, 32 were from the North and 31 from the South. Now, that looks about as non-partisan as anything could be; and in the diplomatic secretaryships, out of 20, 13 from the North and 7 from the South; out of the ambassadors and ministers now in the service, 16 have been promoted from the grades of secretary, so that is a pretty good showing for the merit system. Now, the only thing I really intended to speak about was Mr. Lowden's bill for the improvement of the foreign service, so at last I have got to that point and will say a very few words more. If you are interested in the merit system in the foreign service, then you have heard no doubt of the Cullom-Sterling bill. Mr. Lowden has introduced bills for several years, and there has been the Cullom-Sterling bill. Every bill of the sort was thrown out, because the Constitution says, "The President, by and with the advice of the Senate," etc., "shall appoint ambassadors, other public ministers and consuls;" and Congress would not naturally pass a bill seeking to curtail this constitutional power. So that the Cullom-Sterling bill is absolutely futile. I understand that all the Chambers of Commerce in the country are on record for the Cullom-Sterling bill, while every one in Washington now admits that the Cullom-Sterling bill is out of the question, in that it is unconstitutional. Mr. Lowden, convinced of this, devised a new bill which has been just reported by the foreign affairs committee, and I am sanguine enough to think that it will pass. It perpetuates the diplomatic, consular and departmental examination; makes mandatory the keeping of impartial efficiency records in all three branches of the foreign service; it makes mandatory the report by the Secretary of State to the President of all these data. It stops there, leaving a President free to make appointments, but to make them under the moral pressure of having before him all the data showing who has, through impartial examinations and through the keeping of the efficiency records, been found fit for appointment or promotion, and having that all before him as the result of and with the sanction of a law of Congress. Every one interested in the foreign service who is familiar with it feels that that bill is an ideal bill; and I want to bespeak for the American business men here their cordial support of that, instead of one there is no chance of getting. Mr. Lowden of Illinois has for years shown the greatest interest in the foreign service, and he has recently performed the feat of causing a bill to pass the House, and it has also passed the Senate, authorizing the Secretary of State to estimate each year for diplomatic and consular buildings abroad. That, of course, is a good bill, too, and we of the department are very much in favor of it. But we think that the other bill is still more important, because we think that men are more important than houses, and that the first thing is to pass a bill which will, if possible, insure a useful trained personnel whom we shall be sure are worth housing.

Thank you.

DIRECTOR GENERAL BARRETT: I am sure we are very grateful to Mr. Wilson for this discussion. He says he prefers to be excused from being asked any questions, and we will then proceed directly from that address to one of Mr. Bernard N. Baker, of Baltimore, on the question of shipping, and Mr. Baker will be glad to answer any questions following his remarks.

I want to say that Mr. Baker is one of the best known authorities on shipping matters, and is very much concerned with the improvement that may come from the Panama Canal and the use of the Canal.

ADDRESS OF MR. BERNARD N. BAKER

HOW CAN WE REALIZE THE BENEFITS OF THE PANAMA CANAL?

MR. BAKER said:

Director and Gentlemen: I do not know that I can sustain the reputation the Director General has given me, but I will do the best I can. I have prepared a short paper here which will not take me but a few minutes to read, and then I will be very glad to answer any questions.

The realization of our great water highway through the Isthmus of Panama has long been regarded by us as perhaps the most stupendous physical achievement ever contributed towards the world's betterment. But there has been some fear that the people of the United States might attain only the glory of this great work, while the material profits would flow into the coffers of Europe and the Far East. It is not sufficient merely to effect the physical connection of the two oceans, with no fixed purpose in view other than the military advantage of quick mobilization of our warships in either ocean. If nothing else than this is accomplished, our colossal expenditure will be merely an altruistic donation to international trade conquest at the expense of our own industrial welfare. It behooves us, therefore, to adopt such measures as will insure a measure of practical benefit to ourselves commensurate with the huge investment involved. The most important question, then, is the development of our commerce to use the Canal when completed.

When our Government undertook this great work the fundamental question to decide was, of course, the character of canal to be built; and it was decided, after careful thought and study, to build a lock canal. This decision did not meet with universal acceptance, as might have been expected, particularly from those who had not made a study of the subject, not to mention some of the interests antagonistic to any waterway. Speaking, as a practical steamship man, of the difficulty of passing a large volume of tonnage through the locks, I am prepared to say that this difficulty is not great nor is it an item to be very seriously considered. My own experience was in English ports, particularly that of London, where for many years we passed through Tilbury Locks the largest ships that entered that harbor, and never, even with the most unfavorable weather conditions, did any serious accident occur to interfere with the proper working of the Locks. Any intelligent person, even though he is not an experienced engineer, who will visit the Canal Zone and observe the construction of the Canal and study local conditions will perceive how impracticable a sea-level canal would be, both as to cost and time. I therefore feel fully warranted in saying that the efficient use of the Canal constructed upon present lines might be regarded as an established fact.

There are two distinct opportunities presented for American utilization of the commercial possibilities of the Panama Canal. These are, first, the expansion of our domestic commerce by securing unrestricted operation of coastwise inter-ocean transportation between our Atlantic and Pacific coast ports; and, secondly, the utilization of our Panama property for the development of local commerce with its adjacent Latin American Republics. As to the first item, the great commercial advantage will lie in the establishment of fast ocean connection between the Atlantic and Pacific coasts. The more frequent and efficient the sailings the greater will be the volume of traffic and the cheaper the cost of transportation. To insure necessary frequency and regularity throughout the year, so as to move perishable crops as they mature, sufficient business must be found or developed to keep the steamers on their schedules while these crops are in the ground; otherwise sailings will conform only to full cargo periods and no other business will benefit by water transportation via the Canal.

The first prerequisite to that end, and an item of the utmost importance to the other class of commerce referred to, is the establishment of adequate modern terminals, including warehouses and dock facilities on a large scale. These ter-

minals are necessary at both Colon and Panama. Every ship entering the Canal from either ocean will necessarily approach the entrance of the first locks at a very slow rate of speed; and it will furthermore be impracticable to allow the ships to pass through the locks under their own power, since a very slight mistake of engine-room signals might easily cause serious damage. Every ship must, therefore, on entering and leaving the Canal on either side of the Isthmus, come to a full stop. It is apparent that this gives an opportunity for the transfer of cargo, mail and passengers with very little delay to the ship, provided modern terminals are constructed so as to make possible the rapid and efficient handling of a large amount of cargo. The terminal facilities should be ample for assembling and exchanging merchandise of all kinds in either large or small quantities, and should provide sufficiently for warehousing and storing while in transit, and for immediate reshipment to points reached by steamers going to all parts of the world. With these immense transfer exchanges at both entrances to the Canal, conducted under American auspices, the geographical proximity of our merchants will give an opportunity for securing the trade that will thus be developed in transit through the Panama Canal. This condition will create the opportunity necessary for the American mail coastwise steamers to supplement their cargoes, both to and from the Canal, on each ocean, because with these terminal facilities at their command the immense foreign commerce now moving to Europe from Central and South American countries, within transferring distance of the Canal Zone, can be diverted to the United States and the present volume increased many fold.

The time will come when Colon and Balboa will become the greatest transshipping ports in the world. One can work out all the various lines of communication between the countries of the world that will use the Canal, provided the tolls are of such moderate cost as to justify its use in competition with the Suez and with the longer sea voyages around the Capes. Ships on voyages from an English, German or French port to the Orient will be in a position both to deliver and receive cargo to or from all South American ports when this cargo can be transferred at either Colon or Panama. The same is true of all the nearby ports of Central America, and in the same way on voyages returning from the Orient, a distribution can be made to the ships trading between the east coast of United States and west coast of South America, and between the west coast of United States and the east coast of South America. But to take advantage of these conditions it is absolutely essential for the country desiring to build up this important transfer business to provide immediately the adequate terminal facilities for the rapid transfer of cargo; and these must be supplemented by facilities for the rapid supplying of ships with fuel, both coal and oil.

I feel sure it is the earnest wish of President Taft and those associated with him in the construction of the Canal to meet these essential requirements. A visit to Panama in November, with this particular subject in mind, gave me an opportunity to discuss the matter fully with the engineers in charge of the construction work both at Panama and Colon. Plans have been made for the most improved terminal facilities in the way of docks; those at Panama (Balboa) covering an area of 4,231,250 square feet of slips and a valuable wharf frontage of 42,000 linear feet, with a basin of a water area of 12,201,500 square feet. This plan, arranged with a view to direct entrance from the Canal channel and with modern railroad facilities, makes possible, whenever necessary, a rapid and economical transfer by rail as well as by vessel or barge, and provides ample facilities. Plans have also been made for the rapid supply of fuel, either coal or oil, to all vessels at Colon. Large warehouses will be constructed and thus give to these ports at all times an opportunity for storage of an enormous volume of transfer cargo. Furthermore, it is proposed to provide cold storage facilities in order that perishable cargoes, such as fruits and meats, can be satisfactorily handled.

Another necessity for which plans have already been made is a large number of light-draught seagoing barges propelled by their own power. These can be economically operated up and down the coasts in connection with the American coastwise steamers. The use of these barges will make it possible to reach interior trade centers where the lack of suitable harbors and the insufficient depth of water render it impracticable to operate the steamers of deeper draught. There is an enormous business which can be developed in this way, at the same time providing facilities for both the export and import business of the countries of Latin America. The plan is thoroughly practicable and is the only one by which the maximum development of these sections of Central and South America can be brought about. To

insure the control of this commerce there should be ships under the flag of our own country to develop the business and assist in the establishment of banking facilities. Insured bills of lading that would be negotiable could be issued in order to secure to the shipper the opportunity to get the advance of capital necessary to develop his business.

Statistical information secured from the Pan American Union makes it plain that the opportunities pointed out actually exist. Within easy water communication of Colon and Balboa, by the method suggested, there are 14,000,000 people, representing \$135,000,000 of commerce annually; \$60,000,000 of imports and \$75,000,000 of exports. Of this less than \$9,000,000 was bought from and less than \$18,000,000 shipped to the United States. It is thus seen that the extraordinary condition exists of these 14,000,000 people buying annually but 64 cents per capita from the United States while spending \$3.58 per capita for similar commodities in other countries which are more remote. Moreover, the figures show the superiority, as a buyer, of the Latin American over the Oriental.

Once the facilities (provided they are rapid and economical) are made available, experience shows that they will be utilized. It has been demonstrated again and again that the United States can manufacture the commodities needed for this trade as cheaply as any nation in the world. We are unquestionably in a position second to no other country to produce all the manufactured goods that South America requires; but it must also be said that our manufacturers and exporters have still much to learn about the character of manufactured products desired by our Latin American neighbors, as well as about the packing of such goods in such a way that they can be readily and economically handled in those countries where the trade centers are widely separated and the facilities for distribution are limited.

Having outlined the question of providing for the proper facilities at Balboa and Colon and urged the necessity for our manufacturers to study the needs and requirements of the southern republics both in the production and preparation of the various articles to be shipped to them, it only remains to point out that it will be necessary to fully develop this business by providing regular lines of steamers from our east coast and gulf ports to those countries farther south via the Panama Canal, so that they can also on return voyages send to us their many articles of export. We shall need, at a not very distant day, large quantities of meat; and this I am sure they can readily supply from their enormous grazing grounds in the western part of their republics, as yet but partially developed; and also many other commodities not produced in our country.

In this way we can best unite upon practical lines for the proper use and development of the facilities given us by the construction of the Panama Canal, and make a bond of union with our great neighbors of the South, more potent than any in the world, by a mutually profitable exchange of commerce. This, in my opinion, will be to all "The Practical Benefit of the Panama Canal."

MR. BOAGE: I should like to inquire whether it is your opinion as a result of your information in the Zone, if it would be possible and feasible to build a large sugar refinery in the Gatun Lakes, so that the lake could be used as an anchorage ground for the steamers coming in with full cargoes of raw sugar from Buenos Aires and also Hamburg and Cuba, and to have that sugar refined there and the ship reloaded with refined sugar, and then brought up on our coasts, the idea being to utilize the large water area of the lake? It would be quiet water for the ships to lie in.

MR. BAKER: I am not a sugar expert or a sugar refinery man, but it seems to me the enormous quantity of sugar purchased in that particular section, and the United States owning the Panama Canal Zone absolutely, that a magnificent lake of fresh water, unlimited power, without cost, going to waste, that there certainly ought to be an opportunity there for the refining of sugar in the most economical way. The ships will have to come through the Canal loaded with raw sugar, and the same ships could take the manufactured product and go right on. I am not prepared as an expert to answer that question, but it seems to be a very good opportunity. I discussed it with the President of Panama, who is very anxious to have sugar refinery in the republic; but it seems to me the United States has an opportunity there.

RT. REV. LUCIEN LEE KINSOLVING of the Brazilian Episcopal Church: How can a manufacturing company get a hold of that power? Does it have to purchase it from the United States as an owner of the Canal, no not?

MR. BAKER: The United States Government owns the power. I do not know whether any arrangements for selling that power have been made. It would, however, come under the jurisdiction of the Isthmian Canal Commission.

I want to say that in a long business experience I have had a great many thousand men employed under me, but I have never seen anything going on like that construction work down there. I have talked with shovel engineers and locomotive engineers, ridden with them, and every man is simply doing the best he can for Colonel Goethals' sake.

Mr. Baker here referred the delegates to his evidence given before the Post-office and Post Roads Committee of the House of Representatives, published in the Congressional Record of Sixty-first Congress, under title of Ocean Mail Service, No. 6708.

MR. NOEL of Peru: I would like Mr. Baker to just tell us what he knows about the plans made by Japan to take advantage of the Panama Canal.

MR. BAKER: Well, what I know is a rather difficult question to answer, because so much of it is not reliable as I would like it to be; but I have been informed from very reliable sources—I have not confirmed it—that they fully intend and have determined to take advantage, if possible, of the development of our own trade on Japanese ships between United States ports and South America, and using the Panama Canal, ships which will be heavily subsidized; and in that connection there is no nation in the world paying subsidies like Japan is today. They are paying such concessions or subsidies, whichever you choose to call it, for their shipping that it would not pay us to compete with it. They are paying twelve dollars a day for 12-knot ships from San Francisco to Yokohama, which is a little fortune to the shipowner, and it would not begin to pay us. We had better let them have that trade, though it will keep them in close touch with the commerce in a way that would be a great benefit to them and their export trade.

DIRECTOR GENERAL BARRETT: Thank you, Mr. Baker, very much. Mr. F. B. Loomis, former Assistant Secretary of State, former Minister to Venezuela and Commissioner of the United States to several different expositions abroad, an expert on these things, will talk to us a few minutes on the subject of the Pan American railway. I now have great pleasure in presenting Mr. Loomis.

ADDRESS OF MR. FRANCIS B. LOOMIS, FORMER ASSISTANT SECRETARY OF STATE OF THE UNITED STATES

MR. LOOMIS said:

Mr. Director General and Gentlemen: No one who is not an inherent, irrepressible and unashamed optimist, like Mr. Barrett, would expect a speaker to discuss a project contemplating the linking of three continents by the building of 10,000 miles of railway, at a cost of something like \$500,000,000, to discuss that adequately in five minutes.

DIRECTOR GENERAL BARRETT: I am giving you ten.

MR. LOOMIS: Thank you. I shall try, however, to confine my remarks to five minutes, speaking at the rate of \$100,000,000 a minute, the total cost of the project to be \$500,000,000.

The Pan American railway project is an eminently practical one, and has been from the beginning. It was launched in its present form by Mr. Blaine quite twenty years ago after a thorough consultation with some of the brightest and best business and financial minds of the world. Mr. Blaine then appointed a committee composed of A. J. Cassatt, former president of the Pennsylvania Railway system; Henry G. Davis, a practical railway builder and promoter, Andrew Carnegie and R. C. Kerns, another railroad man. There was quite a large appropriation by Congress for the purpose of making a survey of a proposed inter-continental railway route which should connect New Orleans and Buenos Aires by rail—one continuous route. Mr. Cassatt selected a number of the finest engineers in his employ. They went over this route carefully and most painstakingly, and then made an elaborate and informing report, which is a monument of information and of solid work. They found that the line would be about 10,166 miles in length, and that it would cost, as I have indicated, something like \$50,000 a mile to construct—some places a good deal more, some places a good deal less. The original plan laid down by Mr. Blaine at the first Pan American Conference was very widely discussed at that time and for

some years afterwards, which was that each country should build largely through its own resources, and, if possible, the link or section of the railway within its own borders. Several of the South American Governments have set resolutely to work and have accomplished a vast deal. Four years ago Mr. Davis and Mr. Carnegie, at their own expense, sent an agent through South America to visit all the countries touched by this supposed line and its branches to see just what the railroad situation was at that time, what had been accomplished and what the immediate promise for the future was. That agent reported, after a long and careful trip of observation, that 6444 miles of this proposed line had been constructed, and that there remained 3672 miles only to build. There can now be continuous rail communication between this city and New York city and the northern boundary of Guatemala. From that point to the Canal Zone is about 600 miles, and there would be required a link, using some of the existing lines, about 500 miles to complete communication with the Panama Canal Zone. This matter is receiving now, and has been for three years past, very careful consideration from some of the most competent financiers of the country, and I venture the prophecy that within five or six years the link between the northern boundary of Guatemala and the Canal Zone will either be completed or well under construction. From the Canal Zone south is a long and difficult stretch of road, extending to the southern corner of Peru, a distance of about 2800 miles. In Bolivia and Ecuador and Peru some construction is going forward, which will in the course of a few years reduce that link to about 2000 miles. From Cuzco, in Peru, south to Buenos Aires, a distance of about 1900 miles, lines are constructed governing pretty much the whole distance, with the possible exception of 175 miles.

So, you see, that really very great progress in a very quiet way has been made. There is reason to believe that in the course of 10 or 12 years these remaining links will be built either by the Governments through whose territories they run or by a large international corporation which will build these links, requiring some kind of a working arrangement or control over many parts of the line, so that it may be operated as a whole, and so that there may be swift, practical, economical dispatch of goods and passengers from North America and South America or such intermediate points as may seem desirable as a working proposition. You will recall what our own experience has been in the building of trans-continental railroads. You know what an impressive and salient work was accomplished by opening up our middle West and far West. You recall the conditions that obtained before the Pacific railroads were built. You remember, if your recollection goes back to that time, or if you have an occasion to read any books describing the opening of the Union and Central Pacific roads, how the workers were harassed by savages; how the savages were gradually driven westward, northward and southward and finally disposed of; how the desperado and the bad man followed the savage, and the cowboy followed the desperado into obscurity; how the reign of violence and disorder and disloyalty to law was succeeded by a regime of lawfulness and good order and by abounding prosperity, the like of which the world has never seen.

Now, gentlemen, this, as I say, is a very practical proposition. The Pan American railroad project has never had any place in the abode of dreams. If you build this road—I will say through Central America first—it will have just the same effect in such of those communities as happen to be remote and somewhat disorderly at times as it had in our wild Western country. Following the railroad will come business and civilization, and every mile that is built will make for permanent tranquility and prosperity. The particular use to you of this railway, to those of you who want to make investments in those countries, or who want to sell goods there, is that it will open up the interior and take their vast, untold resources down to the ports on the coast, so that they can be sold and manufactured and shipped and otherwise disposed of to the benefit and advantage and profit of mankind.

If this road is built, as I firmly believe and have reason to believe that it will be, every man who makes an investment in these countries to the south of us today, or within the next year or five years hence, will have almost the same reason to believe that that investment or business will grow in value as the men had reason to believe their investments would grow in value who put money into our Western country twenty, twenty-five or thirty years ago along the lines of the transcontinental Pacific railways.

I have said, and I repeat, that is a practical proposition, and it has always had the firm and energetic and cordial support of some of the best and strongest and most sensible business and brilliant political minds in this country. Mr. Blaine,

as I say, fathered it; President Harrison urged it; President McKinley was entirely friendly with it and wished to help it on; President Roosevelt was enthusiastic about it; President Taft has most heartily endorsed it, and Mr. Knox, whom I had the pleasure of hearing the other day, has written most cordial words respecting it. Said he, "I am in hearty sympathy with the Pan American railway project, and I will be glad to give such assistance as I can. Each step towards its realization will not only directly increase trade between adjacent countries, but will also increase mutual acquaintance and knowledge and interweaving of interests, which is the surest foundation of commercial development in each country, and of good international understanding among them all."

DIRECTOR GENERAL BARRETT: Will someone put a question to Mr. Loomis about the Pan American railway?

QUESTION: About the construction of that section from Guatemala to the Canal and the expense per mile.

MR. LOOMIS: About \$50,000 is the estimate of the engineers. It has been found since that original estimate was made, I believe, that certain portions, or considerable portions, of it could be built for less. So I believe now the revised estimate was a little less than \$45,000,000 for the entire section of something over 500 miles.

MR. ANDERSON: Will there be no branches in Brazil?

MR. LOOMIS: Yes, there will be a branch running into Brazil.

MR. ANDERSON: Not the main line.

MR. LOOMIS: I think as originally surveyed, the main line does not go through, but an important branch line or auxiliary line is contemplated as a part of it. There is building in Brazil a transcontinental line, which will, when finished, enable people and freight to pass from Pernambuco, on the Atlantic, via Rio to Valparaiso, on the Pacific side. There is a vast amount of railway construction going on in Brazil and also in Paraguay—500 miles building there.

MR. KRAUSZ: Mr. Loomis, I would like to know what the present railway facilities are for reaching La Paz, Bolivia, from Bolivian ports, or Puno from Lima, and then going out again to the Chilean way to Antofagasta or any other port. Is there a railway which is already completed so far?

DIRECTOR GENERAL BARRETT: Mr. Parsons is very familiar with the railway conditions on the coast.

MR. MARSH PARSONS, The Parsons Trading Co., New York: There is a railroad going from Lake Titicaca, and you go across that with a boat to Guaqui and go out to Antofagasta by rail.

MR. LOOMIS: I think I stated from the northern end of that lake to Buenos Aires, a distance of about 1900 miles, there yet remains 175 miles to build to make continuous route from the lake to Buenos Aires.

DIRECTOR GENERAL BARRETT: Dr. Hale will read a brief address of Minister Porras, and then I want to ask some questions about Panama.

ADDRESS OF THE MINISTER FROM PANAMA, DOCTOR BELISARIO PORRAS

Doctor PORRAS said:

Gentlemen: The Republic of Panama, though one of the smallest republics on the American Continent, both in population and area, is, nevertheless, not the least favored by Nature, not only for its topographical location, which places it between the two largest and most navigated oceans in the world, but because of the fertility and abundant irrigation of its soil; its majestic and virgin forests full of inconceivable wealth in all kinds of valuable woods, rubber, ivory nuts, resinous and medicinal or healing plants; its immense prairies suitable for cattle breeding; its many rich mines; the presence of the fine pearls round its islands and along its Pacific coast, and the variety of its climates.

Due to a great many circumstances which date from the time of the discovery and conquest of its territory, this immense wealth of comparatively easy exploitation has, however, remained almost untouched up to the present, to the prejudice of the interests of the Panamanians.

However, such a state of things could not be everlasting. The works now carried on by the great American nation in the digging of the Isthmian Canal; our new political institutions; the systematical spreading of public instruction, even in the smallest villages, and our land laws, recently enacted, have decidedly awakened

our people from their slumber and thrown open to them the wide gates of progress and civilization. This great change for the better they certainly have appreciated, and, consequently, every opportunity is availed of with enthusiasm towards the development in all its branches of the natural resources of the country.

To this effect the Government has established a national bank under reasonable terms which will help the enterprising men to cultivate the lands with profitable results. The Government is also actively engaged in the construction of cart roads to facilitate trade between the interior towns and the ports, and has already built at the latter places suitable wharves to meet the increasing traffic.

The construction of a railroad from the city of Panama, along the most inhabited regions of the country, to the city of David, the capital of the Province of Chiriqui, on the Pacific boundary with the Republic of Costa Rica, is likewise seriously contemplated by the Government. Another railroad is soon to be built by a foreign syndicate in the Darien District, the richest of the Republic of Panama, both in mines and all kinds of valuable woods.

The coastwise traffic in the country is now served by six comfortable steamers and other suitable craft of the National Navigation Company, a corporation which has the support of the Government and is giving entire satisfaction to all concerned.

The completion of the railroads referred to, particularly that one which will run from Panama to Chiriqui, it is hoped, will coincide with the opening to the world of the Isthmian Canal, and these happy events will, no doubt, insure the prosperity of our country, for its natural and agricultural products will then be distributed with advantage over the markets of the world.

On the other hand, the location of the Republic of Panama, as it is, between North and South America, will necessarily turn that country in the near future into a great commercial, agricultural and industrial centre.

And inasmuch as the purposes pursued by the Pan American Union are directed to the utmost development of commerce among the American republics, and the conference which is being held during this week has the sole view of exchanging ideas and discussing the plans for improving present conditions in this respect, I respectfully beg to submit the following suggestions, which, in my opinion, are of vital importance for the increasing of the existent commerce between the United States and the Republic of Panama, to wit:

1st. The establishment of respectable banks in the city of Panama, with power to advance funds to the farmers and other enterprises on long and easy terms.

2d. The reduction of the existing freight rates for transportation over the Panama Railroad Co. and the steamship companies trading between the Republic of Panama and the United States.

3d. The improvement of export packing.

4th. The extension of time on credit transactions, say to five or six months, as against the three months which have been granted to our merchants by the American exporters, and

5th. The opening in the city of Panama of a permanent exhibition of all kinds of agricultural implements, assisted by a competent personnel willing to teach the intending purchasers the proper handling and care of the same, as well as any other article of American manufacture which might be considered convenient for tropical countries. This exhibition will undoubtedly prove beneficial not only to my country, but to all South and Central American republics, and will also save the expenditure and time attached to the present system of advertising by means of commercial travelers and catalogues.

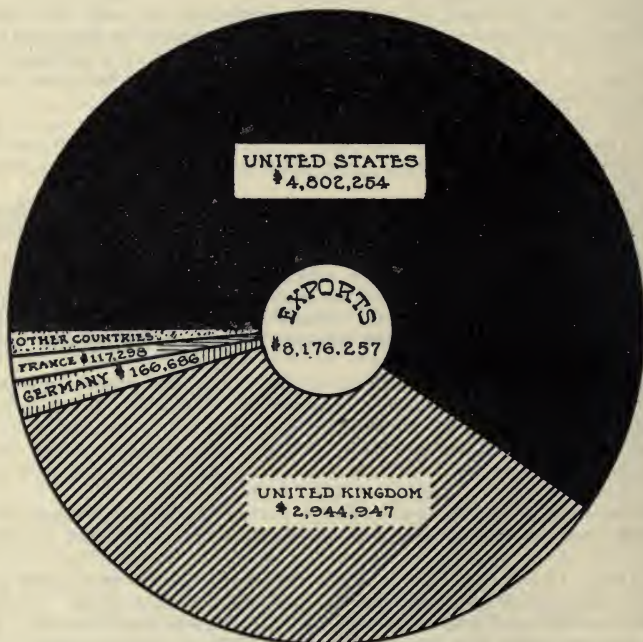
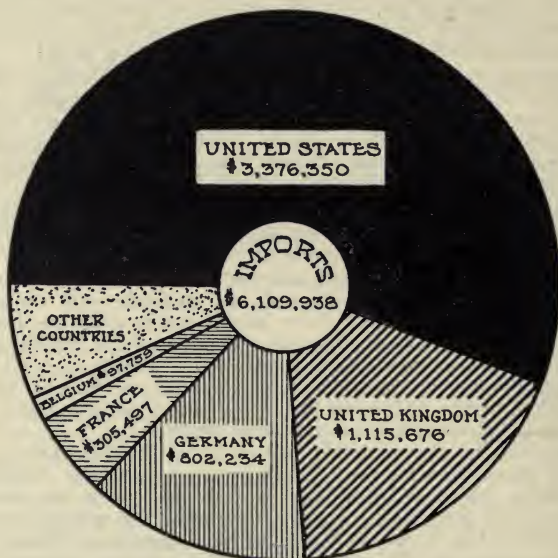
I firmly believe that the adoption of the foregoing suggestions will greatly aid to the development of the present commercial conditions of the two countries, and I, therefore, earnestly recommend them to your kind attention.

DIRECTOR GENERAL BARKETT: That was a very interesting paper, Mr. Porras. Now, some questions in regard to Panama. Dr. Hale will be able to answer questions, but I was hoping Mr. Lindsay would be here.

QUESTION: Will you be good enough to say briefly what effect the Panama Railroad will have on the development of the Republic after the building of the Canal.

DR. HALE: In the agricultural sense, there will always be a great demand on the Canal for what local products can be furnished on that slope. On the Pacific slope to the west of the Canal is a very, very rich agricultural district. Everybody who has gone over there has been astonished with the fertility of the soil and the moderation of the climate. It is not at all a tropical climate such as on the east

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coast where the rubber and the banana plantations are. They can grow cotton, potatoes, anything, and that will be directly along this railroad and furnish the necessary supplies demanded by the Canal and by the traffic, and in that way the country will be most materially benefited.

DIRECTOR GENERAL BARRETT: I can say myself that when I was Minister of Panama I traveled a great deal through the interior, and was convinced of the opportunity presented for the development of the interior through railroads and transportation. There is just as much demand for railways in Panama as there is in the interior of any of the United States, and this principal line from Panama to David would form a great link in the Pan American Railway if constructed.

QUESTION: Is there truck farming to supply the boats and steamers which pass through the Canal?

DR. HALE: Most decidedly. I can say this, for instance, I know an American locomotive engineer who has bought several acres west of the city of Panama. He is just as sure as anything that within the next five years he can develop a truck farm there that is going to pay 50 per cent. and more on his investment—just a little farmer, you understand. The Panama Isthmian Canal Commission is paying today five times more for potatoes than they can be grown for on this fertile tract, but there is nobody to grow them. The truck farmer who goes in is going to make a fortune.

DIRECTOR GENERAL BARRETT: Is there another question with regard to Panama?

MR. GEO. I. KING, of the Standard Steel Car Co., Middleton, Pennsylvania: What is the average charge for hauling a ton one mile on the Panama Railway?

MR. KELLIER: The through rate from Callao to New York is \$8 a ton; that is, the Western line on the Pacific gets \$5.60; that leaves \$2.40 to be divided for the railroads and the Atlantic Ocean all out of that, for all classes of freight, out of which they have to pay the cost of discharge of the load.

DIRECTOR GENERAL BARRETT: We have just had the address of Dr. Porras on Panama, and the question has been asked about the railway construction in Panama—what demand there was for it and what the freight rates are on the present Panama Railway. Are you familiar at all with those subjects?

MR. LINDSAY: Specifically the rates? The rates now won't obtain.

DIRECTOR GENERAL BARRETT: The charges per ton for crossing the Isthmus.

MR. LINDSAY: No, they have changed recently, and they will be changed again very shortly. The rates won't obtain on future traffic, that is certain.

MR. FRANK A. BRANDA, President of the Latin American Export Co.: If the question is in order, might I ask why does the rate on the Panama Railroad amount to approximately 200 per cent. more than the rate for carrying goods practically 2000 miles from Oregon to Portland?

MR. LINDSAY: A very old question. It is a question that has been threshed out. I don't know whether you have seen Mr. Bristow's report, have you?

MR. BRANDA: I have not.

MR. LINDSAY: It is a very lengthy one, and the whole question is gone through thoroughly. Why, it would require longer than the time we have got before us the rest of the day to tell you, but I think you will get in Mr. Bristow's report a good explanation, but the fact remains that the cost will not obtain; those rates will not obtain after the Canal is opened.

MR. BRANDA: The point I raise is this: With American goods in South America it is absolutely impossible to meet the foreign countries on a large amount of products. Germany or England put goods in Panama for \$2.25 per ton.

MR. LINDSAY: There was an arrangement which was rather restrictive between the shipping lines or steamship lines and the railroad. That arrangement has been broken, and I may say that there is not any doubt that the rate has been decreased. The rates on the Panama Railroad are now considerably less than they were years ago.

QUESTION: How much less?

MR. LINDSAY: Twenty-five per cent. at least; that is, freight rates. The passenger or personal baggage rates are not any lower.

MR. BRANDA: The rate on cement from New York to Colon is 10 cents per 100 pounds, practically 40 cents a barrel, and the rate to Panama is 30 cents per 100 pounds, or \$1.30 a barrel, which is the cost of cement; or, in other words, it costs 80 cents to take a barrel of cement 50 miles and 40 cents to take it 2000 miles.

MR. LINDSAY: Yes, that is a fact, but it is also an assured fact that as soon as the Canal is open these rates will come down.

MR. NOEL: I would like Mr. Lindsay to tell us something about the opportunities for cattle interests in Panama.

MR. LINDSAY: From close observation I know something about cattle in various parts of South America. Panama lands are as good as lands in Venezuela, but the transportation facilities are somewhat against it to the American markets. I really think Chiriqui is the most promising cattle market in the world. There are in the country now perhaps 50,000 head of indifferent cattle, and the lands would support 5,000,000 head.

Thereupon at 12.30 o'clock A. M. the Convention took a recess until 2 o'clock this afternoon.

WEDNESDAY AFTERNOON

The Conference was called to order at 2.35 o'clock P. M. by Director General BARRETT.

DIRECTOR GENERAL BARRETT: I have much pleasure in introducing Mr. Barranco, the Vice Consul of Cuba in Washington, who has a little paper to read to you.

ADDRESS OF MR. CESAR A. BARRANCO, VICE-CONSUL OF CUBA

Mr. BARRANCO said:

Mr. Director General, Ladies and Gentlemen: Allow me to begin my address by renewing the congratulations that the Government of Cuba has directed me to extend to this important conference. This cordial message I had the honor and pleasure to deliver last Monday afternoon to the Honorable John Barrett, the indefatigable Director General of the Pan American Union, and to whose efforts this great conference is due.

It is time that the twenty-one republics that compose the New World shall realize the necessity and convenience of establishing the greatest possible exchange in their respective products.

Old Europe teaches us an objective lesson by the immense advantages which those countries derive from the interchange of its products increasing year by year. It is true that up to the present time the lack of transportation facilities has been the greatest obstacle in establishing closer commercial relations between the Latin American republics, but now the railroads are beginning to be here like in Europe, ties of international union with great facilities for commerce, and before long the communications by sea will be, between us, more frequent and cheaper when the Panama Canal is completed, and the gratitude of the whole world shall give this great country and its people the everlasting glory of having united, for the good of humanity, the Atlantic with the Pacific Ocean.

It is therefore of great importance that all Latin American countries shall prepare, in view of the fact that the Panama Canal will soon be a reality, to have closer relations which will undoubtedly come after the two great oceans of the Atlantic and Pacific are joined, and I would take the liberty of suggesting that before January, 1915, the date in which the Panama Canal will be officially opened, another conference, such as is being held at present, should take place. These important and interesting conferences would in due time bring the desired results to the happy idea of the illustrious and distinguished initiator, Mr. John Barrett.

And Cuba, in whose name undeservedly I have the honor to address you, has the greatest and most sincere interest and desire to extend its commercial relations with her sister republics of Latin America, at the same time increasing her commerce with the United States. Cuba occupies in the mercantile statistics of this great country the third place in the world, and has before her only England and Germany; that is, Cuba being ahead of all other countries in America in regard to what these countries export to the United States each year. And as to the merchandise bought by other countries from the United States annually, Cuba has ahead of her only the Republic of Mexico and Canada.

In brief, according to the official statistics, Cuba, during the first nine months of the year 1910, sold to the United States merchandise to the value of \$117,976,065. This amount has only been excelled by England, which represents \$202,472,715, and by Germany with \$124,846,844. Cuba follows, and after comes France with \$87,929,460. But Cuba for the United States in the matter of richness of exportation is the first country of America.

In regard to importation, Cuba has bought from the United States during the past year merchandise to the value of \$41,594,361, and this amount has only been excelled in America by Canada and Mexico.

I invite you, therefore, gentlemen, to consider the large field of opportunities for business in Cuba which she offers you, her economical greatness, her immense natural resources and her admirable situation, backed up by a very orderly and liberal Government.

DIRECTOR GENERAL BARRETT: I am sure we all enjoyed that paper very much, and Mr. Barranco would be very glad to have you ask any questions of him regarding Cuba.

MR. PROTZMAN: I would like to ask the gentleman from Porto Rico something about the agricultural products there, and especially the price of land?

MR. CURT: I might say that sugar, coffee, tobacco and different fruits—tropical fruits of different kinds—are produced.

MR. PROTZMAN: What is good tobacco land worth?

MR. JOSÉ McMENENDEZ, of H. B. Claflin Co., New York: The price of tobacco lands in Porto Rico is about \$200 a querda, which is about equal to an acre—about \$200 an acre, good tobacco land.

MR. PROTZMAN: What do the farmers get for the tobacco?

MR. CURT: They get about 20 or 30 cents a pound.

DIRECTOR GENERAL BARRETT: We are now to have the pleasure of listening to Mr. Franklin Johnston, who is a very thorough authority on Latin America. His father was a great authority, and he has himself just returned from a very exhaustive trip to Latin America, and I am sure what he has to say will be interesting.

ADDRESS OF MR. FRANKLIN JOHNSTON, EDITOR OF *AMERICAN EXPORTER*

MR. JOHNSTON said:

I am not really an authority. I do not know a great deal about this. I only know a very, very little. In the first place, I never sold a dollar's worth of goods in South America or any place else in the way of merchandise, and I think you ought to know that before I start in.

I made a trip through Brazil and Uruguay, Argentina, Chile and Peru about four or five months ago, and spent four months, and I was not selling goods, and I was not gathering statistics. To tell you the truth, I am in the advertising business, and if our advertisers do not sell goods they take out their ads., and once in a while we have to go around and see what is going on. But perhaps I gathered a few ideas there that may be helpful to American manufacturers here who want to do some export business, and it may even help some who are getting a little business there now.

One thing that struck me is that there is a good deal of generalization talked about South America. About the time I got off the steamer in New York after I got back I was asked, "What is the climate like in South America?" If you look at the map there, it is obvious there must be several brands of climate in South America; and yet people want to label the climate and want to call it "tropical" "New Mountainous," and label it and make the label stick, and it won't stick. There are a dozen different climates in Brazil alone.

Then they want to take trade conditions and label those. They want to take every country and generalize on the whole. Conditions are not the same in Buenos Aires as they are in Guayaquil. Obviously they are not. I judge people endeavor to generalize on them.

So, having knocked generalizations, I will hand out a few.

One thing which struck me is that the big merchants and the little merchants of South America have realized that the American manufacturer is much more anxious to get business there than he was, and I believe that they feel that this present movement, which the American manufacturers have recently shown in relation to South American business, and for which the South Americans have a very good expression. They call it "serious." If a house in America handles their foreign correspondence properly and tries to meet the wishes of their customers, tries to stick to business, they say that is a "serious house," they like to do business with them. They know letters and cables will get attention, and I think they realize that the American manufacturers' present interest is not spasmodic, but that it is going to be a permanent one, because the economic conditions of the country have changed very much.

If any of you gentlemen will take the trouble to look at the way the exports of raw materials and loose products from this country have dwindled in the last twenty or twenty-five years, and how much the exports of manufactured goods, hardware, machinery, furniture—everything of that sort—have increased, you will see why the American manufacturers are taking more interest in export business and the way the House of Representatives passed the Reciprocity Bill yesterday, I believe, is for the same reason. We cannot export the food products that we used to export. We have to export something else, and it is manufactured goods.

Going out in a steamer, I remember meeting the British Minister to one of the South American Republics. He patted me on the back very nicely. He came from the same part of Ireland that my father did, and took an interest in me for that reason, perhaps, and he regretted that Americans could not sell goods in South America, and I wish that that gentleman was here to look at the blue patches on all those charts around there. I do not see how anybody can say that we are not selling goods in the Argentine Republic, when they show in that little blue patch \$43,000,000, as against \$99,000,000 of the United Kingdom.

We are selling goods there, and if any of you manufacturers are not selling, somebody else is, and you better find out who he is. He may be a competitor right around the corner.

We hear a good deal about German competition and British competition. That is true. The Germans have the greatest team work in the world. They all work in together. The Germans have a feeling of team work such as we do not have. There is no doubt about it; but, by the way, I want you all to keep in mind that this is all generality—because, in the first place, the National Cash Register was mentioned here. They have a magnificent business and export method, but Mr. Nixon could not sell Dreadnaughts in the same way they sell cash registers, as you cannot sell suspenders in the same way. Every line of business has its own methods, I think. I never sold anything, but that is what struck me. The British manufacturer, I think, undoubtedly has the finest representation down there of any of the manufacturing interests as a whole. That is another generality. People like to do business with the British. The word of the Englishman is a saying all around the world, and American manufacturers have not always been as careful to maintain the reputation of their country as the English almost invariably have. You may say that the English sell their goods chiefly on quality, the Germans on price and the Americans because of American inventive genius and wholesale methods of manufacture. I remember meeting a man who was selling threshing machines. One big English concern sold \$500,000; that is, his agents did, in the Argentine Republic last year, and he was talking about some of his American competitors, and it was startling to see that he admitted the number of threshing machines, traction engines and so on that they turned out where he would turn out one. I don't know what the figures were, but it told the whole story. The British machines, for instance, are very reliable, but they are heavier than the American machines, as a rule, and in some cases there is a reaction against the clumsiness of the English machinery.

As regards this generality business, that works both ways, and I found a good many merchants who had had experiences with one manufacturer or the other, and they promptly condemned the whole United States of America from start to finish. So you will see that if you are not seriously inclined toward the export business you ought to leave it alone, because you are going to irritate somebody and he is going to take it out on the whole country.

About the ships, I remember this British Minister I spoke of said that we could not sell goods without American steamers. How is it we sell them? That is what I want to know. I do not know anything about the shipping business, but how is it that we do sell them?

About catalogues, a great deal has been said about Spanish catalogues. I believe there are thousands of American manufacturers who get out their catalogues in Spanish, and I think it is a very gratifying feature of this Conference, so far, that there has been very little said, as there used to be in the gatherings of this sort, about packing right, printing catalogues and so on, the kindergarten advice of the export business; they have been absent from this meeting, and I think that shows very conclusively that the American manufacturers are gaining ground; and I will say that on my trip I found very little talk of that sort about that bad packing, and so forth. Of course, I encountered it now and then, but it was not the general cry as it was a few years ago.

It is usually taken for granted that if a man is German he will have German goods down there and cut out America. But I found that that was not true. I know of one case of a man in Rio de Janeiro, a German by birth and education, who sent to New York because he said he could not get the service from the German manufacturers that he now can from the Americans. Of course, he has recently started in business, and many of the finest German manufacturers have other connections.

In the same city of Rio de Janeiro there is an American by birth who keeps a scrap book of the foolish letters he gets from the American manufacturers, and he is an American, and the English are very apt to criticise the English manufacturers, and so it goes. They decide that patriotism does not go beyond the pocketbook in most instances, I find.

Something was said about the licenses for travelers, and I would like to say a word there. I never followed that very closely. I have heard of one or two men who have gotten into trouble for not paying their licenses, but it is my impression that, as a rule, where your salesmen are down there working in connection with your agents, they will be allowed to canvass, so to speak, under the license of your agent there; and therefore that fee is not by any means always necessary.

Buenos Aires is not Guayaquil, as I said before, and I only mention those two cities, trying to show that there are degrees of development in the different parts of Latin America, as there are in North America. In Buenos Aires, for instance, there are two English daily papers; that gives you a good idea of the development of that city.

DIRECTOR GENERAL BARRETT: I don't want to shorten Mr. Johnston's address, but, of course, you all understand that situation fully—the same chance is open to all of you, and we develop special features by asking questions. Now, I would like to have anyone ask Mr. Johnston any questions. You can see that he has a very practical knowledge of things.

MR. E. FEIGE, of the Feige Desk Co., Saginaw, Mich.: I would like to ask Mr. Johnston what he knows about the tariff in Brazil.

MR. JOHNSTON: I don't know much about the tariff in Brazil. I know that there is a differential in our favor on some 10 or 15 lines. I do not recall what they are.

DIRECTOR GENERAL BARRETT: Those figures can all be obtained for you.

MR. JOHNSTON: I know the tariff on some articles—

DIRECTOR GENERAL BARRETT: We can provide you here with all that information if you will just write it down on a piece of paper.

MR. FEIGE: It is almost prohibitive for business in Brazil. On furniture, especially roll-top desks, there is a duty of 200 per cent., and hardware and such things; door trimmings, as high as 600 per cent. I would like to know how that is to be overcome to enable anyone to do business in Brazil.

DIRECTOR GENERAL BARRETT: Is there anyone here from Brazil that can answer that question?

MR. RAPOSO: Let me explain. A country like Brazil has a necessity of looking after its revenue mostly from its customs houses, but you must remember that the percentage that you have to pay, your competitors have to pay also, and in that instance you have a reduction of 20 per cent. You must not be scared from going into Brazil for your goods, especially a good line like hardware. It is true it is high, but it has to be high; but it is not prohibitive, as you say, to any extent.

MR. FEIGE: I have an invoice of certain desks and chairs bought in New York. The total price of the chairs was \$387, and the duty paid on them was \$655.

DIRECTOR GENERAL BARRETT: Is it all right to submit that to go into the record as your statement?

MR. RAPOSO: That particular instance, it was the fault of your agent making a faulty declaration. He was not a competent man. It is a question of classification.

MR. EASTON: I would like to ask Mr. Johnston a question or two. How did you go, by way of England or down?

MR. JOHNSTON: I went by way of England.

MR. EASTON: Have you used the Lamport & Holt line?

MR. JOHNSTON: No, I have not; but I know that the Lamport & Holt are becoming more popular. The service is first-class on that line today. I do not know from personal experience, but I know a great many business men living in Rio who use the direct steamers, as it is quicker.

MR. EASTON: Just one question, for the benefit of the gentleman a few minutes ago speaking of the Lamport & Holt line. The daily reports published by the

Department of Commerce and Labor some day last month—there will be no trouble about finding out the date through that department—published an extensive pamphlet on the services of the Lamport & Holt, comparing it to the English line, and it would be valuable to anybody wishing to look up the service on that line.

DIRECTOR GENERAL BARRETT: I want to call on a gentleman who is to leave in a few minutes for just a few words before we call on Mr. Eder of Colombia, to read some extracts from a paper prepared by the Minister from Colombia. Dr. Guerra is the export manager of Sharp & Dohme, a large drug house of Baltimore and New York. There have been a good many calls for him on the drug business, and I want to ask him to say just a word before he goes away.

REMARKS OF DOCTOR A. DIAZ GUERRA

Dr. GUERRA said:

My object on this occasion is to call the attention of the Pan American Conference to the matter of sampling. I am connected with one of the largest houses in this country dealing in pharmaceutical products, and we are handicapped, because if we are going to send samples to any one of those countries, we have to pay very heavy duties for those samples, which have no commercial value whatsoever, and it seems to me, as it must seem to everybody here, that those samples should pass through the custom houses in the Latin American countries without paying those heavy duties. We want to establish a demand for our products—I mean for the United States products, and the only way to establish that demand is by showing our people what we can produce; but we cannot afford to pay hundreds and hundreds of dollars for a sample of the material that is worth only a few pennies, which has no commercial value at all. The last experience my house had was in Central America. We sent four cases of samples. The value of those cases was not more than \$25 or \$30, and we had to pay \$357 customs house duty for them. If we could pass samples through and distribute them among the people, I think that the Governments which are interested in collecting those customs house duties would be very glad to have samples distributed, a market established for the goods, and then collect the ordinary customs house duties for the goods themselves. That is only an idea I want to suggest, and I leave to everybody the possibility of finding some way by which we can distribute samples without being compelled to pay such an amount of money for them. That is the only object I want to present here.

MR. CASWELL A. MAYO, Editor of the *Revista Americana de Farmacia y Medicina*, of New York: May I speak on this question of samples? None of the tariffs of which I am familiar, and I have made some research into the matter, make any provisions for the introduction of samples which must necessarily be consumed by the recipient, except in the matter of wine. In some countries sample bottles of wine of no greater capacity than one pint are admitted free, a recognition of the fact that the sample must be consumed in order to judge its quality. There is a need, in the exchange of commercial relations, in building up commercial relations with the provision of samples of this kind so as to include food products—which would include wine—pharmaceutical products and cosmetic products, and it does seem to me the part of wisdom, from purely financial point of view, for any Government to welcome the admission of samples for free distribution under proper regulations, with the idea that the establishment of a trade that would yield the Government very much larger returns on the revenues from the regular sizes than could possibly be gotten any other way, and that is on the supposition that the Governments wish to foster international trade in these proprietary preparations, whether foods, medicines, cosmetics or what not, and that was the idea that I think is quite an important one and well worthy of our consideration if it is within our province to consider.

MR. EDER: The Colombian Minister has done me the signal and unmerited honor of explaining to you why he feels he cannot address the audience in person, as he otherwise would like to. This is in the form of a letter addressed to Mr. John Barrett. I will proceed to read.

COMMUNICATION FROM THE MINISTER FROM COLOMBIA, MR. FRANCISCO DE P. BORDA

(Read by Mr. Phanor J. Eder)

Seldom has there been gathered together in the United States an audience as brilliant as this one which has come to this temple of peace to take count of one of the most transcendental events of history; that is, the change which is taking place from political imperialism, the basis of modern civilization. And this change is occurring, because such is the will of the sons of Washington and Franklin. The flag of the Great Republic can wave only over fundamental moralities of civilization. To address such an audience would therefore be an honor and a cause for pride, and I regret that I cannot do so.

Others, however, will tell you that the 436,000 square miles which form the territory of Colombia situated between the two great oceans, are peopled by 6,000,000 inhabitants, and are blessed by Providence with all the products which Nature in her prodigality showers upon man for his needs and luxury and glory; that Colombia's climate from a thermometric scale ranging from 40 to 80 Fahrenheit, protecting man against all diseases; that its rivers bathe this territory for over 20,000 miles of navigable length; that it forms a part of the greatest river system of the world, and that a traveler can embark at Humadea near Bogota, descend by the Meta to the Orinoco, ascend the Orinoco to the Casiquiare, and thence reach the Rio Negro, whose currents will bear him to the Amazon; in Brazilian territory our traveler can choose the Madeira and going to the Guapare and the head waters of the Paraguay, descend that river to the Parana and reach Buenos Aires; or he can ascend the Beni and reach La Paz in Bolivia; or choose the Ucayali and arrive near Lima in Peru, or by the Napo arrive at the Rio de la Costa and enter the heart of Ecuador, or else return to the eastern part of Colombia by the Caqueta or Putumayo.

Others will also tell you that Colombia owns a great part of the great South American forest region, 17,000 square leagues in area; that its mountains, the oldest in the world, wherein are found radium and platinum and its rich and fertile valleys, and its plains covered with endless pasture, contain nearly all the products of three kingdoms of nature; more gold and silver than man has yet possessed (in four centuries \$1,000,000,000 has been mined), all the iron and copper required by the industry of the entire world, lead, mercury, tin, zinc, other minerals and precious stones.

Mr. Barrett, who took pains to inform himself as to the coal deposits of Colombia in his interesting pamphlets, says that Colombia could furnish for many centuries coal for the entire continent. The emerald mines are the only ones in the world and are inexhaustible.

Others will explain to you how Colombia has become the center for the American fauna and flora. "The inhabitant of these regions," says Baron Humboldt, "is acquainted with all vegetal forms which nature has placed in his favored country and displays to his eyes a spectacle as varied as that of the celestial vault when there is no constellation hidden from view."

Rubber in inexhaustible quantities, cinchona, tobacco, vanilla, sugar cane, bananas, coffee, cotton, corn, beans, potatoes and wheat and a thousand vegetable fibers and medicinal plants. A Colombian forest is an inexhaustible source of wealth, free to the first comer. The list of products of its forests is practically inexhaustible, as is that of its fruits, and especially its woods. In the Colombian Legation we have a still incomplete classification of over 1000 species of building and cabinet woods, from the proud tree of Darien, which carries the flags of great vessels the world over, to the fibrous slender limoncillo; from the iron-like guayacan to the Carey and vegetable ivory, these woods form, with raw metals and precious stones, a mass of wealth which, at no late day, will minister to the comfort and awake the admiration of mankind.

You will also be told that its greatest source of wealth, which offers the most encouraging stimulus to progress, is the infinite quantity of power in its thousand waterfalls, from the imposing Tequendama, three times the height of Niagara, to the formidable current of many of its rivers. Colombia can produce more electricity than the engineer needs in order to accomplish what Archimedes could not do.

This and much more will be told you here by the sons and friends of Colombia and admitted even by its enemies, if it have any. I am the only one who cannot tell you this, and for this reason.

The Interoceanic Canal is about to effect a change in the conditions of the world. At its opening the United States will occupy the position of the foremost nation of the world and the majesty of the great Republic remain forever firmly established; mistress of the strategical venture of the world, her boundaries, for commercial and military purposes, will stretch from Panama to California and Alaska, from Alaska to Maine and from Maine to the Philippines, and from the Philippines back to Panama. The force and power of the world is dislocated and concentrated in the Canal.

The exceptional and delicate situation in which the Legation of Colombia finds herself, for reasons well known to the people of the United States and which awakens their sympathy, obliges me to decline the honor of taking part in public deliberations. The Legation, nevertheless, is always open to the people of the sister republic, for whom she will always maintain her admiration and her historical friendship. There can be found all the data which the labor and capital of the United States may seek. The possibilities for the investment of capital in Colombia are therefore to be found in the exploitation of its soil and forests, in the improvement of its ports, the navigation of its rivers, the construction of railroads, the establishment of mortgage banks; Colombia will be the great source of supply for the Canal; every man and every ship passing through the Canal will consume Colombian products, which are inexhaustible.

Finally, it is a pleasure to declare on this solemn occasion and in the presence of this influential and sympathetic audience that I, as the representative of Colombia, have had the most cordial reception from the Government of the United States, and have found and am assured of ever finding the highest and noblest spirit of justice. Upon pressing the hand of the President today I received the same impression as I did fifty years ago when I met that sublime man, the equal of the patriarchs of the Bible, who placed the seal of your nation's greatness by liberating 4,000,000 men—Abraham Lincoln.

You, Mr. Barrett, who are, as the old Romans would have said, the Praetor Peregrinus of the Latin Americans in this country, will be able to make my excuses to this great congress of the capital and labor of the United States which you have gathered together. Please, therefore, receive my thanks.

DIRECTOR GENERAL BARRETT: Following that very interesting summary and statement, I would state that Mr. Eder is familiar with Colombia, and also Mr. Martin. Mr. Martin made a journey of two thousand miles along the ranges of the Andes and Ecuador with me, and as we came out of it better friends than we started, he is a pretty good fellow. Mr. Martin, come forward, so we can have a little practice between you and Mr. Eder, answering questions.

MR. EDER: I would like to say first, as I have been introduced here as from Colombia—and I am very proud of that—I also have a place of business in New York, where I would be pleased to meet the delegates, at 180 Williams street, where I will be glad to give them any assistance possible at any time.

MR. WICKWIRE: I would like to know if there is any power transmission developed in Colombia or in prospect there.

MR. EDER: There are several electrical plants, which, however, are more for the purpose of electric light than for electric power, but there is no reason why the electric power transmission could not be developed. The plants I speak of as notable instances are those near Bogota and one or two others at Cartagena, and I think a good one has just been established in Barranquilla. My brother, Edward Mason, is building the railroad down there, and is known to a good many of you, and he is at the head of that last one.

QUESTION: Does that power come from coal or water?

MR. EDER: From water. There is coal, but there is no need to use it. There is hardly any part of Colombia where you cannot get excellent hydraulic power.

MR. MANNING: There are plants down on the coast. There is an electric plant at Cartagena and one at Barranquilla and one at Santa Marta that are fuel plants.

DIRECTOR GENERAL BARRETT: Mr. Manning was consul at Cartagena for some time and is very well informed.

MR. FRANK X. KREITLER, Collins, Darrah & Co. of Nebraska, Pennsylvania: You spoke about the forests. What kind of timber is there?

MR. EDER: In the Cauca Valley region they are exporting a good deal of mahogany and other cabinet woods. From the Pacific coast the chief export is the quebracho, which is known as one of the most valuable woods for railroad ties in

the world, and is very durable, and it goes chiefly to Peru, on the west coast. I do not think there is any building timber shipped out. There are several projects along the Magdalena, and one or two sawmills have been established, but I don't think any timber is being exported for building purposes.

MR. CURT: To what extent are electrical signs used in Colombia?

MR. EDER: Practically none.

MR. MAHLON C. MARTIN, JR., of Glen Ridge, N. J.: There are very few in Bogota; they are just beginning to use electrical signs there.

MR. GUMPERT: Have you any wholesale grocers?

MR. EDER: There are wholesale grocers in every large city.

MR. GUMPERT: Are you posted as to whether there are regular country stores which handle everything, or just groceries?

MR. EDER: No, there are quite a few men who make a specialty of groceries wholesale, who are very big people, in the large coast towns. The large ports are practically warehouses for the interior, and several do practically an exclusive wholesale business.

MR. GUMPERT: Do those wholesale grocers import their canned goods or are they obtained locally?

MR. EDER: Well, there are no canning establishments in the country; all the canned goods are imported.

MR. JOHN K. BRODERICK, Broderick & Bascom Rope Co. of St. Louis: I would like to know as to whether the coal deposits there are slope formation or whether they are mining shafts, and how extensively they are being worked.

MR. EDER: They are being worked on a very small scale only—practically open mining, except near Bogota, where they are worked on quite an extensive scale.

MR. BRODERICK: Do they use American machinery to get it out?

MR. EDER: I do not know.

MR. MARTIN: Mining machinery is not used in mining coal in Colombia at all.

MR. MANNING: Along the headwaters of the Sinu River in Northern Colombia, to the westward of Cartagena, there are immense beds of coal which are absolutely unexplored and unexploited, but I saw some time ago, while in Cartagena, a report of a practical mining engineer gotten out as long ago as 1846 on these coal deposits, in which he said they were as extensive, in his opinion, as the coal deposits of Western Pennsylvania, and he examined the coal and found it to be a very high character of steam coal, but no one has ever felt it worth the while to investigate it.

MR. EDER: I can say the same things about the coal mines at Cali, beyond the first range of the Andes, between the eastern and the central Cordilleras. The whole outcroppings are worked on a very small scale, but coal beds are believed to be of very vast extent, and to extend almost through.

DIRECTOR GENERAL BARRETT: We will have to end this discussion, and remember that Mr. Eder and Mr. Martin will be very glad to answer any questions about Colombia at any time.

I now have particular pleasure in calling on Prof. William R. Shepherd. I want to say of Dr. Shepherd that he has made several trips through South America and other parts of Latin America, that he was a member of the delegation to the Scientific Congress in Santiago, Secretary of the United States Delegation to the Conference in Buenos Aires, and is a recognized authority on Latin America.

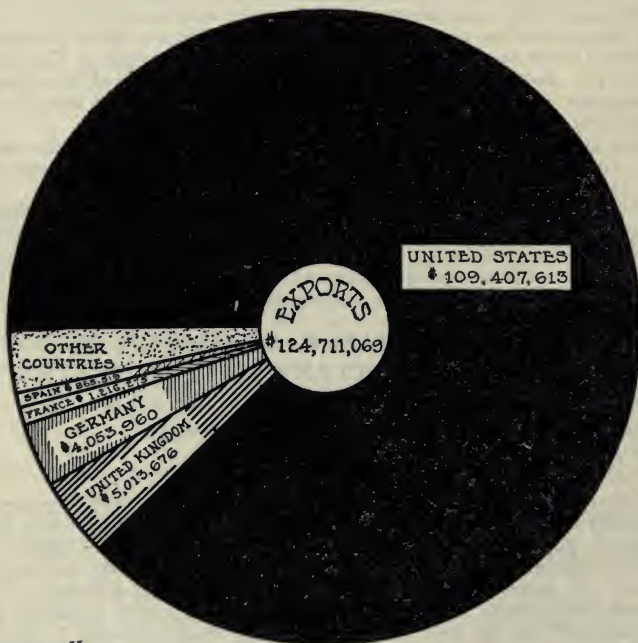
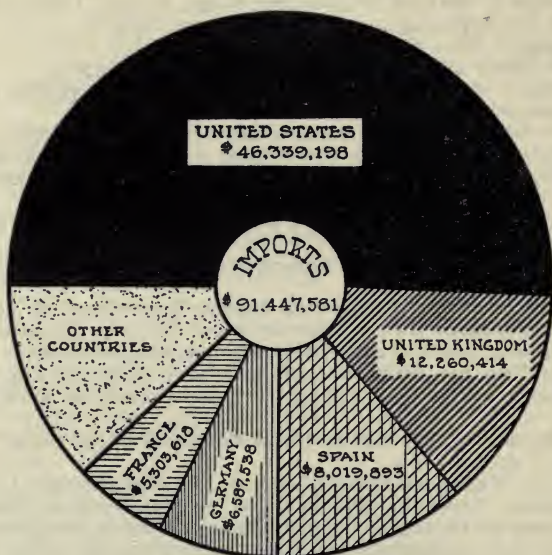
ADDRESS OF PROF. WILLIAM R. SHEPHERD, OF COLUMBIA UNIVERSITY, SECRETARY UNITED STATES DELEGATION TO FOURTH PAN AMERICAN CONFERENCE

Prof. SHEPHERD said:

Mr. Director General and Gentlemen: The topic with which I propose to deal in a very hurried fashion is the personal element in our trade with Latin America.

In the first place I might say there still linger in the United States, although in a constantly decreasing degree, certain prejudices and certain prepossessions of which we must rid ourselves. The first phase of the personal element is that which has to do with the attitude of mind. Now, what are the still lingering prejudices and prepossessions? In the first place, that South America—and I speak of that more especially—is a sort of Eldorado, where you may get anything you like by

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simply scratching the ground or shaking the trees. Secondly, that unless we secure an immediate monopoly of the trade of South America, or at least an immediate share in the major part thereof, all the perils and troubles of the litany are nothing in comparison. Third, that when we want South American trade we can easily get it. That is a phase of what we may call smug complacency. Fourth, that the American way of doing business is necessarily and absolutely the best, and that the American article is also the best and spontaneously commends itself wherever it goes, and along with that the same idea that if the South American merchants really want our trade, all we have to do is to come up and ask for it. They won't. And, finally, in that respect that anything is good enough for South America.—Mind you, I am saying these prejudices and prepossessions are steadily decreasing, but they still exist, and a conference like this could contribute a great deal towards dispelling them. Again, there is another prejudice and prepossession that our South American brethren are scarcely half civilized. We are frequently told that they lack in business instinct. Perhaps they may not equal the Americans, Germans or English in business instinct, as we comprehend that term, but they know what they need better than we do. There is an impression that somehow or other the South Americans are inimical to the introduction to American capital. There are some "know-nothings," but the major part would like to see the American capital brought in, not because they love us, but because they have shrewd insight, bringing the American product to compete with German and British, and therefore have it cheaper to themselves.

Another prejudice and prepossession is that American capital, if introduced, cannot be protected; but somehow or other our British and German competitors manage to get along with their capital. They do not have to connive or invoke the Monroe Doctrine or call in warships, but they succeed.

Another prejudice and preconception is that South Americans are abominably slow in paying. Well, there is nothing remarkable about that in a country that has an abundance of natural products and has a scarcity of ready money. There is nothing at all strange about it. It was declared on a certain occasion by a witty Frenchman that there was only one expression in Spanish which means "money tomorrow," and that is *mañana pasada mañana*—meaning day after tomorrow. And yet there does not seem to be a very great amount of difficulty arising from that source other than American, on that score. You must bear in mind that the son of his fathers—call it in any generalization that you like—that our South American merchant is cautious and conservative; he wants what he wants when he wants it, and in the form he wants it, and just because somebody comes to him and represents to him that it is a novelty and just as good and up-to-date and all that sort of thing, he is not convincing necessarily. He wants it in a particular form, and he won't be satisfied until he gets it in that form.

He is extremely courteous in his manner and highly punctilious. Of course, our wits are very apt to draw the whole thing into the ridiculous, declaring that when we address South Americans we have to make use of all sorts of flowery phrases. There is no use of making use of flowery phrases, but bear in mind when we are dealing with people, if we want to do business with them we have got to adapt ourselves to that mode of address.

Another prepossession and prejudice, namely, a habit of knocking the American merchants on general principles. I have no sympathy with that. I do declare, as a matter of fact, that some Americans do things mighty well. The majority of them do things well and a few of them do things poorly. Do not let us take that inverse proposition; but this wholesale habit of declaring Americans do things poorly, and this wholesale robbing the Germans and the British of the opportunity of the development, I do not sympathize with. We must bear in mind this, that this country is not primarily an exporting nation as yet. Great Britain and Germany are primarily exporting nations. They must be from the very nature of things. Furthermore, they were first on the ground, and again they have developed a whole series of methods which suit those circumstances of the exporting nation. That is one side.

Now, the other side, namely, let us take a sane view of what is available, and how we may get it. One thing is to study things at first hand—look into conditions ourselves. Two things occur upon the visit of the American merchant to South America. The first is, he finds out what is needed, and the second thing is, the reverse side, the South American merchant is convinced that we have an interest in getting his trade. We must have a certain amount of regard for the courtliness,

when it is of a moral sort, that distinguishes the Latin American, more especially in the matter of extreme pride and extreme sensitiveness. Pride is only another form of considerateness of the fathers, which is universally important in the treatment of Latin Americans. For their part it is because others treat them considerately, and in the same fashion they will treat others with considerateness; and sensitiveness is only another way of expressing the golden rule; that they will accord to others a very large amount of urbanity and courtliness and hospitality, but they expect Americans to do the same thing in return. Furthermore, when our tourists go down there and put on peon costumes, as some of them do, it is just about as ridiculous as foreigners going trailing up and down wearing journeyman's blouse. Nor would we like it very much if a party of South Americans would suddenly burst into our church and raise a disturbance, and yet South Americans do not relish that a great deal.

Furthermore, if some of our merchants who complain about the financial laxity of the South American merchants would only take the trouble in ascertaining in advance there would be few complaints about inability to collect. Furthermore, if the South Americans want a thing in a certain form and under certain conditions, give it to them. Do not try to impress them with the fact that a certain thing is much better; they know what they want better than we do.

It would be a very good thing if this office of the Department of State, or any other available office, would find out just what the products are with which we can compete favorably, and find out also just what the products are with which it is useless to compete. We ought to have some means of compiling a comparative scale of prices. Another good thing is to study consular and other public literature, that published by our State Department and by the Department of Commerce and Labor, as well as by that published by this office.

Again, advertise in South American newspapers, magazines, pamphlets, theatrical programs, billboards or anything else. Let them find out, furthermore, to what class of persons each thought of publication is especially adapted. It would be a good thing to imitate our medicine men. You will find them proclaiming their wares upon almost every billboard, newspaper and theatrical program, whether it is pink pills, ague pills, and everything of the sort, and you find a certain warning finger spread out all over Latin America.

Another thing, why does not our associated press set up agencies in different parts of South America for the purpose of dispelling erroneous notions about us? Why, talking about plague, pestilence and murder and sudden death—those things are not in any comparison with what the average South American thinks about this country. If they think this country has nothing in it but divorces, lynchings, railroad wrecks, woe betide us. That is the kind of news that is sent down by their correspondents. Let us have our own associated press go down there to counteract these reports; and, furthermore, to furnish interesting and reliable information along certain lines that will show we are a progressive nation.

Although I am aware of the fact that it is perhaps out of order to do what I intend to do at the present moment, it seems to me perfectly proper and more than proper, and that it would be absolutely just for this gathering to put itself on record in some potent fashion, how much we appreciate the services rendered by one of our foremost statesmen in serving as the pioneer in our dealings with South America, the pioneer of American enterprise in South America, a man to whom we ought properly to say "All hail!" That man celebrates his birthday today, and it seems to me that this conference might well agree to request our chairman to convey to the Senator from the State of New York, Elihu Root, our congratulations.

DIRECTOR GENERAL BARRETT: I am sure that that suggestion of Prof. Shepherd is acceptable to you, but I am going to give you the chance to vote and not get the mild criticism I did before. All those in favor of extending the congratulations of this conference to Senator Elihu Root of New York, on reaching the sixty-sixth birthday, please rise. (The audience arose.) The vote appears to be unanimous, and the congratulations will be extended to him this afternoon.

Is Mr. Yanes, the Assistant Director, there?

Mr. Yanes arose. Mr. Yanes, I wish you would go to the telephone and, on behalf of the Conference, telephone to the Secretary of Mr. Root, and inform him that exactly five minutes past four the Conference, upon motion of Professor Shepherd, and expressed by unanimously rising, extended to him its sincere congratulations upon his sixty-sixth birthday.

PROF. SHEPHERD: I suggest an amendment or addition to that, and that is that

we also incorporate our appreciation to Mr. Root's work in the development of more friendly and personal relations between the United States and South America. I followed Mr. Root and the fleet around South America, and I believe two of the greatest advertisements this country has had was the visit of Mr. Root and the sending of the fleet around the world.

DIRECTOR GENERAL BARRETT: If there are no objections, that will be incorporated with the expression, telling that the Conference expresses its gratitude for his great work in bringing about closer relations between North and South America. Is that the sense of it?

DIRECTOR GENERAL BARRETT: We will just embody that. Now, are there any questions to be asked Professor Shepherd?

MR. CHAS. L. CHANDLER, U. S. Vice Consul General, Buenos Aires, Argentina: One concrete instance Mr. Shepherd suggested I think ought to be brought out very strongly in regard to advertising. I happened to have my home two years in Buenos Aires, and heard something personally I would like to quote. The export manager of a large English ink company wanted to go about getting some business. He put up a big sign in Spanish in every railway station, and the sales last year amounted to exactly \$165,000 as a result of that, and it seems to me that in the larger cities railway and street-car advertising cannot be too strongly done as a means for our people getting in contact down there. By doing so a great many of our leading exporters have made a great deal of money.

DIRECTOR GENERAL BARRETT: Is there any other question of Professor Shepherd?

MR. CLARK: Professor Shepherd, you said a great deal about giving the Pan Americans the things they want. What do you mean by that, Professor? Do the Germans change standards every five minutes to suit their Pan American customers?

PROFESSOR SHEPHERD: I will tell you what they do. They find out what the taste is in that locality and they cater to that taste.

DIRECTOR GENERAL BARRETT: Is there any other question? If not, we will consider the debate closed.

QUESTION: There has been much said about terms. What is meant by "terms?" What do they expect of us—what terms must we give South America?

PROFESSOR SHEPHERD: They usually demand long credit—60, 90, and even as much as six months—and the Europeans usually find it convenient to advance them long credits, and we most frequently are apt to ask them to pay cash on delivery, or even before goods are delivered, but that is gradually disappearing—that prejudice about long credits is going away, and we are extending long credits.

DIRECTOR GENERAL BARRETT: Thank you very much, Professor Shepherd.

The inspiration of one of the most important countries of Latin America has been absent, because we have been hoping that the diplomatic representative of that country could be here, as have been others—that is, Brazil—but a certain degree of timidity and modesty makes him hesitate to come. We have here a brief paper, prepared for him by the Vice Consul of Brazil in New York, which will be read by Dr. Hale, and then I am going to call for some very brief remarks by Bishop Kinsolving, who is one of the very best authorities on Brazil, and Mr. Atherton Brownell, who looks after the Brazilian propaganda; Mr. Raposo and one or two others, for brief remarks, and when they are through speaking they will answer any questions that may be asked. Dr. Hale will now please read this paper.

ADDRESS OF MR. FRANCISCO GARCIA PEREIRA LEÃO, BRAZILIAN VICE-CONSUL, NEW YORK

Mr. LEÃO said:

I am glad we are here today trying to learn the conditions of the republics of the Western Hemisphere, sure that the knowledge will increase the friendship that prevails among us, creating an harmony so necessary to co-operative forces struggling for progress and civilization.

We all know a great deal about European countries. We know something about the North Pole from the description of the audacious explorers. We are well informed of the dynamics of the universe by the records of astronomers. We know the wonders of the ocean. We know, through the microscope, the life and

habits of the micro-organism. By the law of chemistry we know the combination of matter, the life and properties of the elements. But how little do we know of our next-door neighbors, or even ourselves? And our ignorance of each other is unfortunately increased by that powerful instrument, the press, which seems to find enjoyment in depicting and exaggerating our faults, but is silent in regard to our good qualities and virtues. For instance, there is a general impression in North America that we are volcanoes in continual eruption. My country made abolition of slavery without the shedding of blood; formed a republic with flowers. Its boundary lines have been settled entirely by arbitration and through the ability and patriotism of our Minister of Foreign Affairs, Baron de Banco; still we have not yet acquired the credit of being a peaceful nation.

Our institutions of learning are modeled after the best in Europe. Engineers from our colleges are conquering immense areas by piercing the mountains and crossing the great rivers with beautiful bridges that are monuments of art and science.

Cities are built after the most artistic and sanitary plans, and the pestilence that once darkened our horizon has entirely disappeared. In its place we have a paradise of health.

We have a large number of brilliant statesmen, of which the late Ambassador Nabuco was a beautiful example.

Our farmers are cultivating the soil by the most modern processes, thus reaping great and profitable results. Still we have not yet acquired the reputation of being a civilized nation. And what I say of Brazil can be said of the other Latin American Republics.

From our mines European enterprises are extracting great mineral wealth, for Brazil is a giant whose arteries and veins are rivers of gold and whose muscles are mountains of iron.

Our forests are rich in lumber, fibers, rubber, rosin, gums, fruit and nuts, waiting for energetic hands to transform it into wealth.

It is time for the American people to awaken to the fact that Brazil offers great opportunities for enterprisers and investors.

When our mate tea, which pays 20 per cent. duty to enter into the United States, is free from that duty and enters on the free list as tea from other countries, your nation will have a new product which will bring many millions to our market.

Our commerce is growing every day, and while America is already leading in the importation of our goods, European countries, as England and Germany, are leading in the commerce of exploitation.

I see no reason why America should not lead in all respects, for with modern machinery and skillful ability this wonderful nation is surpassing every other nation with its industry.

To out-do your competitors you must study their methods.

Europeans send into Brazil very intelligent and prepared travelers, and many times the chiefs of large commercial houses go personally with the aim of promoting business and improving commerce. They study our peculiarities and our means. They try to bring about good and cheap transportation and banking facilities. They have given special attention to packing and handling goods without a loss. They find out very promptly who are their competitors, study their goods and prices, then adapt themselves advantageously, thus increasing their possibilities in the struggle for supremacy.

Do the same and you will succeed, for Brazil is a true friend of America.

The Pan American Union, this great center of education, has done more for the cause of the American homogenic than one can appreciate. And it is extremely gratifying to us to have championing our cause of Pan Americanism the worthy President of the United States, and Secretary of State, Mr. Knox. And the Government of the United States, guided by the spirit of progress and humanity, has always been since its beginning the great promoter of our harmony, and for that we extend our eternal gratitude.

ADDRESS OF RIGHT REV. LUCIEN LEE KINSOLVING, OF THE BRAZILIAN EPISCOPAL CHURCH

Bishop KINSOLVING said:

Mr. Director General and Gentlemen: I am to speak briefly for seven minutes from the inside point of view. My only title to your audience today is the

fact that I have lived 21 years in Brazil. I want to give you the Latin-American point of view as I see it. First, I want to call your attention to your colossal ignorance in regard to everything South American. I have said as much to an audience of Boston women, and yet I live to tell the tale.

The Republic of Brazil is the most colossal republic on this earth's surface today. You can put the United States of America in Brazil and you can have a Brazilian fringe all around it. That is how big it is. As for population, it has as much population as all the rest of South America put together, with the exception of perhaps one republic. Will you please look at this map and study it for a moment? Here is Brazil, and just opposite, with her total trades, is the Argentine, with its total trades. That shows that that pretty speech that came from the lips of Mr. Santamarina yesterday is from a man who knows what he is talking about. The Argentine is far more advanced. Brazil is far more vast. Brazil is the growing country of opportunity. I am afraid a great many of the opportunities in Argentine have already been seized. In that great republic, stretching from the Amazon on the north to the Rio de la Plata on the south, you have three great sections—North Brazil, Central and South Brazil. I want you to remember, every one of you gentlemen, that during any of our blizzards, when you put on a rubber shoe, that they all come from Brazil; and when everyone of you gentlemen go to ride in automobiles to know that the tires all come from Brazil; and I would like you all to know that every cup of coffee you drink, almost, comes from Brazil. You call it Mocha or Java, but it all grows on the same tree in the Santos region. In other words, Mocha and Java have become grade names rather than geographical names, very much as some of the Spanish olives are grown today in California, because your men lied and would not put California olive on the bottle, because they think the name "Spanish" would make it sell better.

What are conditions there? In the first place, you must treat the Latin-American, and, above all, the Brazilian, as a man and brother and equal. You must go there and treat him fair and honestly. You must not go there and think that you can hoodwink him and he won't know just as well as you what he needs and what he wants. Your articles from America that have had such great progress in Brazil have been articles which demonstrate on the very face their superiority. We heard something yesterday from the Dayton people, with their cash registers, and the whole reason why cash registers succeed so well in Brazil, Argentine or any other part of the world is because no other man but an American has ever invented anything to be compared with the cash register.

DIRECTOR GENERAL BARRETT: Mr. Patterson is right there in front of you.

BISHOP KINSOLVING: The same way with plows, because you can produce an American plow cheaper and better than any other nation. There are those specific articles, and those articles may need specific men to exploit them in those South American territories, but it seems to me that we are up against certain obstacles. One obstacle is that of the lack of ocean facilities. Well, it is up to you to remedy that. If you choose to do it by giving a subsidy, all well and good; give us a subsidy and establish a line of ships and send your articles over.

Another obstacle is the lack of banking. Why, do you know that my Church does a good deal of banking down there in Brazil, and we do it all with a Brazilian bank, a reliable institution, about as reliable as any Wall Street bank; and yet an American Church. I have a little account in Alexandria, Va., and yet down in Brazil, South America, they cashed my check, sent it to New York, and they gave me the cash value of that check. But if you want better banking facilities it is up to you gentlemen here at home to give those better banking facilities.

The greatest obstacle, as I take it, in this intercommercial relation, is the question of the tariff, and I tell you where I think you ought to try to remedy that. Look at the chart. What a difference there is between the blue blocks in Brazil!—\$22,000,000 exports from the United States into Brazil; from Brazil into the United States \$123,000,000. You have \$101,000,000 balance of trade. You buy from Brazil every year \$101,000,000 more than you sell to her, and how do you effect that balance of trade? How do you pay your bills? Those ships bring up the coffee to New York, and then they slide over to Europe, and they go to England, and they go to Germany and they take the German product, and your bankers in New York pay over there in Germany. It seems to me that some way, diplomatically, or some other way, that enough pressure ought to be brought to bear on the Brazilian Government. They have already given us preference in certain articles, especially hardware and other things of that kind; they let in flour, it seems to me, with a very preferential tariff, and they let in a great many articles I have not time to enumerate; but we ought to

get them, by reason of the great balance of trade, to let in more, and you have got as a lever one hundred and one millions in your favor, buying that much more from them; and that, it seems to me, ought to be a lever whereby you can ask for their friendship, whereby they can let in your articles to the amount of something like a hundred million.

Then another obstacle is this: Ignorance, as I said in the first instance. It seems to me that if you were going down there to win that trade you have got to send men for that purpose; and you want, first of all, as has been said so frequently, a man that knows how to sell an article. But, I should say to you, as one of the first things, as soon as you get the man with the salesman faculty, to try to cultivate his head and his intellect—try to cultivate that head and intellect; second, learn the history of that Brazilian people; try to learn and to understand the conditions of those old Portuguese pathfinders of the seas, who planted their ships in the ancient days on every sea, and try to let him sympathize with the traditions of that splendid nation; and if you let him go there with those principles in his heart, and treat them as an equal and try to meet them on their own ground and to understand just their point of view, and to go there and live as a Latin and live as a Brazilian, and understand all the ins and outs of trade, and send back his information to you here at home, then I believe that you will find that your trade will increase, and it is the only way. You never trusted a man in your life if you could not talk to him. You have got to learn his language, because it is a part of his soul; you have got to get something of the spirit and traditions of which he comes.

ADDRESS OF MR. ATHERTON BROWNELL, OF THE BRAZILIAN PROPAGANDA

Mr. BROWNELL said:

I feel that the gentleman preceeding me has stolen all my thunder to such an extent that I will sound very much like the rattling we hear on the stage of imitation thunder. I want to thank you here for having said vigorously and plainly and so convincingly a thousand and one things I had in my mind that I would like very much indeed to say to you regarding Brazil, but I am going to confine myself to one rather circumscribed circle.

You have heard most eloquently concerning Brazil and its opportunities. I think the most condensed expression of the opportunities of Brazil that I have heard came from a very distinguished Brazilian visiting this country a few months ago, when he said to me: "Why, Brazil, in regard to its undeveloped opportunities, is where the United States was 100 years ago." How many are there here, gentlemen, who would not, with your now perfected hind sight, be very glad indeed to seize some of the opportunities that you have seen seized in the United States and developed? Brazil today is full of exactly those opportunities. You have heard from the Bishop who preceded me something of those opportunities, something of the vast wealth of Brazil, which covers almost every conceivable product from gold and diamonds down to the small products of the soil; and you have seen also on this chart displayed here how it is that we are selling to Brazil so little in comparison with what we are buying from Brazil, with that enormous balance of trade of over \$100,000,000 against us. The point I want to make to you, gentlemen, is this: It is the fault of the merchants of the United States, and it is their fault alone that that balance of trade exists against us. Our trade with Brazil would be insignificant were it not for the immense shipments of rubber and coffee that now come to this country, but when I say the fault lies entirely with the Americans and the American merchants I want to point out to you that Brazil, of all countries that I have ever seen, is more anxious than any other to have American merchants, American industry, American brains, American capital. Brazil's hand is held out to us all the time. You have heard a brief mention of it. It was found some years ago that for some strange reason the merchants of the United States were not selling to Brazil what the Brazilians thought they ought to. It was a reflection upon us, gentlemen, when Brazil said: "Here are our markets, here are our pocketbooks; come and sell to us. Why don't you come?" And what did they do? They proceeded to grant to Americans the preferential tariff on many classes of goods sufficient to offset our difficulties of transportation, and they have more recently increased that preferential tariff and also increased the number of commodities to which it

applies. Furthermore, gentlemen, I think that Brazil—I do not speak with positive knowledge—but I think that Brazil is the only country of South America that conducts an active propaganda for the purpose of enlightening the entire world and removing some of the ignorance that you have just heard mentioned. This propaganda service extends all over the world. Every city of any size in Europe has its delegation. It has its branch offices with every detail, every particle of data necessary for anyone to open up business with Brazil. Only recently Brazil sent a commission up to the United States.

Brazil has immense deposits of iron which we need, and Brazil wants our coal, and Brazil comes to us and says: "We will send you our iron; you send us your coal." The present President of Brazil, Marshal da Fonseca, told me last summer that if I had the opportunity of talking to any Americans here who desired to do business with Brazil to tell them to come and they would be received with open arms. I think that has been borne out by the action of Brazil on this preferential tariff, but that is not the only detail which bears out that expression of welcome. Let me call your attention to what Mr. Niles, of the Rubber Congress, did in New York last. Why, gentlemen, the opportunities of Brazil are not only so vast, but they are yours for the asking. Any group of Americans, properly endorsed, properly backed, can go to Brazil, and they will have given to them 50,000 acres of rubber-bearing land to cultivate, and Brazil will remove its tariff very largely upon the importation of the machinery for the handling of that rubber. It will likewise reduce its export duty on the rubber that comes out. In addition to all of which, they will guarantee you interest on your money. Can any country open its doors any more to the American merchant? And I ask you if the Americans, with their well-known reputation for seizing trade, cannot take advantage of such a situation. It lies with you; it does not lie with Brazil. Brazil is doing everything it can. Brazil is building railroads and asking for American capital, and they are again saying: "Come down and build our railroads for us. Let us see your American ability. We recognize you as leaders in industry. Come and show us how. Here are the goods; here are the opportunities, and if you do not dare to risk it yourself, we will guarantee you your interest." No country can do more than that, gentlemen. They are building railroads. They are guaranteeing the interest on those railroad bonds. I do not carry in mind at this moment how many great industries of Brazil are open to concessions of that kind, but I do know that Brazil wants and will welcome industry in many, many lines. They want soap factories; they want food-canning factories. They see no particular reasons why Americans should not come down there and erect rubber manufactories instead of buying rubber shipped from Brazil here to be manufactured, paying an export duty when it goes out, import it here, and going back again as the manufactured product. Brazil is open to all of you, every one of you, and if you remain in ignorance regarding Brazil it is your own fault; and if, therefore, you refuse to take advantage of the opportunities that are open to you to develop Brazil to your own interest and advantage, there, again, gentlemen, I say it is your own fault likewise.

DIRECTOR GENERAL BARRETT: We are going to have one or two more words to finish up Brazil, and as soon as we finish up this consideration of Brazil, then we shall have a paper read from Mr. Castro, and we have also here Mr. Richling, the Consul General of Uruguay in New York, and Alfredo Metz Green, Consul of Uruguay, from whom we shall have something very interesting. While on this matter of Brazil I am going to give Mr. Moreira five minutes on this question. Mr. Moreira is a man from Brazil well informed on that country and a Brazilian himself.

MR. MOREIRA: Gentlemen, other speakers have spoken of the opportunities that lie in Brazil, and some persons this morning have asked a question which I think could be answered now—why there is so little American trade in Brazil. The reason is very simple. The fault lies entirely with you. We are a Portuguese nation, not a Spanish nation. You are flooding us with a lot of Spanish literature which we will not read, not because we do not understand it, but because it is not our language. If we flooded your field with German or French literature, you would do the same thing. If it were Japanese, you might keep it as a curio, but there is no reason for us to keep a Spanish catalogue, and therefore many opportunities that you gentlemen have are lost.

Another point I want to bring out is about the question of your agents. Many manufacturers tell me that they have agents for Brazil. I ask them what territory do they cover, and they tell me the whole of Brazil. That is a matter of impossibility. That traveling man is drawing a very fine salary, I dare say, but not the trade.

Another question also which is very important is that we know, as a rule, what we buy. If we order a brand-new typewriter, we do not want a rebuilt one, and that has been the case, gentlemen, more than once in Brazil. We know we are perfectly up to date, and we know everything that is used in this country. We may not use it very much, but we are acquainted with the article, and we know all about it.

Another point I want also to mention is the question of packing. In Rio a short time ago I saw 14 roll-top desks that arrived there all stove in; every one of them was broken. The man who gave that order gave his instructions at the same time how to pack, and probably the shipping clerk thought he knew all about it. He said: "The idea of those Brazilians telling us how they want a thing packed! I know how to do that. I have shipped many desks," and therefore he packs the desks so well that they are useless when they arrive there.

There is one practical thing I want to suggest to you, gentlemen, and that is a question of the use of the metric system. We use the metric system there and all over South America, and it seems to me that you should never speak to us in pounds, because it is confusing. If you want to do business with us, you must do the same as we when we want to do business with you; that is to say, adopt our ways, our systems, and if the metric system could be used generally in this country it would be a great help to the Latin-American trade in general.

There is another thing that probably you do not know, and that is that Brazil is very anxious to promote agriculture, in Rio Grande especially, and a law or amendment was passed to help agricultural syndicates for wheat growing, giving them, provided they purchased a certain amount of land, for five years, \$4500 a year to help that syndicate, provided, naturally, the syndicate cultivated it. It must be only that product. The Government that is generous enough to grant that large sum of money ought to find more people in this country and plenty of support to promote syndicates to go down there and cultivate that wheat, as Rio Grande is a very fertile soil and is next door to Argentine, the largest wheat country, pretty near, in the world.

Regarding transportation, gentlemen, we have very little railroad compared to the very large country. We have some on the coast, but not as many as we want; so you must remember that many goods that are ordered have to be taken from the train and taken on muleback to the interior of the country. Therefore, instructions that a buyer gives to an American manufacturer should be obeyed religiously if he wants to keep his trade.

DIRECTOR GENERAL BARRETT: I am sure Mr. Moreira will be very glad to answer any questions at any time that any of you may wish to see him.

Is Mr. Raposo here? Mr. Raposo, you will have just five minutes.

MR. RAPOSO: I cannot say much in five minutes, but I am just going to confine myself to a few notes I have made to show you some of the drawbacks in the trade, the mistakes, so that the manufacturers who are doing business by correspondence and have nobody there to inform you will know how to do next time.

I have seen from the export papers that several manufacturers quote the price f. o. b. at some point out west. When you give the prices to the people of Brazil you ought to bear in mind that they have no facilities to find out what the freight rate is to New York, in order to find what the cost of the goods will be.

Another thing, other manufacturers will print their retail prices on the goods, and some go to such an extent of reasoning the right to do that, stating, "I will pay the freight. I will deliver your goods at so much cost right at your door." But that man forgot that there is a high tariff to be considered in determining the cost of the goods, and then he has to consider that the coast is very long—5000 miles; that there is an extensive territory in the interior, and goods that retail at Rio de Janeiro, where facilities or boats are, will be worth far more in some town up north, and it may be eight or ten times or any fancy price away up the Amazon River.

But another important thing is respecting the consular invoices, because the custom-houses are very strict, and I have seen many delays caused on that account.

I saw the other day one manufacturer sending a cable code to Brazil to one customer to ask for the goods, and they gave words of 11 and 12 letters, forgetting that the cables cost \$1 a word, and they are necessarily compelling the customer to pay \$1 more for each word he is going to use.

Those are small details, but I thought I might as well give you the benefit of them.

Another question, asking Brazil for women chemists in a country where women do only domestic work.

I would like to call your attention also to the parcels post. The United States has just made an agreement with Brazil for parcels post, and years ago, when the parcels post system was adopted with France and England, the manufacturers there and department stores took advantage of it, and the trade they are doing now is remarkably increasing, and amounts to nearly \$100,000, and is very important.

In regard to the matter of exclusive agency. I saw a man giving the exclusive agency for the whole territory of Brazil to a small man away up in the interior. Of course, that is extraordinary.

In regard to the tariff, I would like to say again that you ought not to be scared away because of the tariff, because your competitors have to pay the same tariff, and England is doing the business, and you can also do it. American goods are in some instances slightly higher in price, but the quality compensates it, and then the Brazilian will pay the difference for the sake of the quality.

DIRECTOR GENERAL BARRETT: I am now going to call upon the representative of the Republic of Uruguay, which is just below Brazil, not so large in area, but certainly large in influence, and it is a very great pleasure to introduce Mr. de Castro, one of the rising young statesmen of his country, a lawyer, justice of the peace and secretary of the legation at Rio de Janeiro, who has now come to us and is capturing the hearts not only of our women, but of our men, too.

ADDRESS OF THE CHARGE D'AFFAIRES OF URUGUAY, DOCTOR ALFREDO DE CASTRO

Dr. CASTRO said:

The practical study of the commercial life maintained by political entities, among themselves, is the study of the Fiscal and Sanitary obstacles, which each one of them often maintains, as a standard of public interests, and sometimes, unfortunately, as a defense of private interests which monopolize production, sterilizing almost always the beneficial action of international competition.

But the valuable activities devoted to the transformation of natural products are subject, in spite of all, to the lively excitations which their own necessities and desires produce, and which unceasingly stimulate that transformation. For this reason, a congress as this one has the broad and generous mission of bringing together the experts who will rid the path of all obstacles, so that we may achieve the greatest benefit from the ideal to which we all aspire; the welfare of all beyond all conventional frontiers.

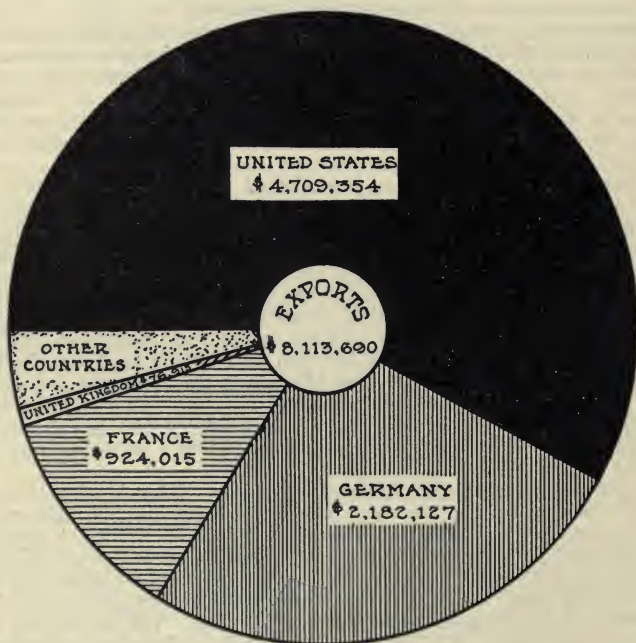
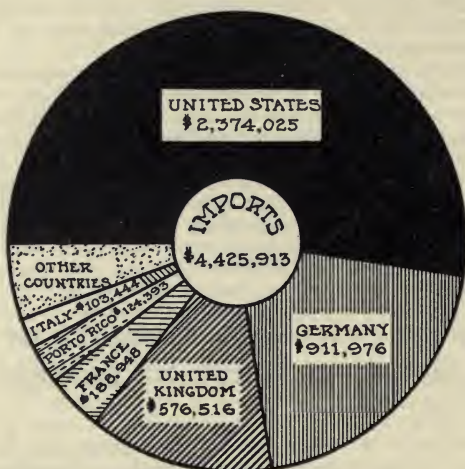
The first step will have been accomplished when we have known each other better. The foundation is a living reality. This powerful country, and also Uruguay, love progress, and their workers struggle for it, seeing at the same time the expansion of economic forces in the just harmony of their relations. The present administration of Uruguay, whose term expires with this month, can boast of important and numerous instances of the interest it takes, and of the attention it devotes, to the accomplishment of the betterment of the prevailing commercial system. Besides the large sums that have been expended in port and railroad works, the Uruguayan Legislature has at present under consideration a tariff bill that will greatly facilitate the export and import trade, because it embodies the best features of the American and of the Italian legislation. The passage of that bill will place Uruguay "in a position to profit by the *minimum tariffs* of other nations and to enter into special agreements whenever they be suitable to the sale of her products, by means of a reduction that may reach 50 per cent."

The formation of any social condensation is slow. Thus it will not seem strange to the careful observer that, in countries which only a few decades ago entered in the concert of nations, the degree of their economic expansion should be apparently low. As a matter of fact, progress is infinite. I am going to quote some statistical figures which corroborate my assertion: In 1908 Uruguay sold to the United States products to the value of \$1,364,796; in 1909 sales amounted to \$3,726,877, and in 1910 the imports into this country from Uruguay amounted to \$7,413,896. The proportion doubled in the brief lapse of one year! It is high time that the interchange of natural and manufactured products should begin to assume the enormous proportions which the virgin America affords it. We are today witnessing the violation of a natural law; the fruits of our mutual productions increase at a stupendous rate.

• DOMINICAN REPUBLIC •

- COMMERCE - 1909 -

\$12,539,603



I will now add a few more words for the business men of the United States. Uruguay is territorially small if it be compared with the two nations by which it is bounded. But if you lift your eyes to that map you will notice by its figures its producing and purchasing powers (\$86,000,000 foreign trade in 72,000 square miles of territory). And you must bear in mind also that Switzerland and Belgium—not to mention other countries—although reduced in size, are real emporiums of civilization and wealth.

Uruguay's geographical situation; its special climatic conditions; its liberal and equitable legislation; its monetary system of an invariable gold standard, and whose unit is quoted at higher ratio than the American gold dollar, which is saying a great deal; the quality of its products, such as meat and its derivations, wool, cereals, etc., offer to the industrious and intelligent men a broad and profitable field for their activities.

The efforts thus far made by American capitalists, manufacturers, exporters and business men to participate in and reap the profits of the Uruguayan market have been too limited. The first American capital to be invested in Uruguay will be that of a railroad company which has not as yet laid its rails. Those efforts should be pushed forward with the activity and intelligence due them, and undoubtedly such timely organizations as this conference will give a powerful impetus to the current of material interests that flows over the countries of the American Union, making of them one single entity for their mutual benefits—Pan America.

DIRECTOR GENERAL BARRETT: I now introduce Mr. Richling, who is Consul General of Uruguay.

ADDRESS OF MR. JOSE RICHLING, CONSUL GENERAL OF URUGUAY, IN NEW YORK

MR. RICHLING said:

While as a matter of course the necessity of further development of the commercial interchange between the United States of America and Latin America forms the keynote of a good many discussions, and while this subject has been discussed extensively, it would yet appear that certain phases thereof have been treated, comparatively speaking, with less thoroughness than ought to be accorded to them. May I, in connection therewith, venture a few remarks which in a measure may contribute toward the solution of some of the problems confronting the exporting trade, especially so as they are in part based on personal experience, although I disclaim any pretensions as to the specific studies which a careful analysis of these points would necessarily call for?

Particular stress ought to be laid, in this connection, on the fact that the term so frequently used, "Trade with South America," is so elastic that it is liable to create in the mind of a good many manufacturers from the very start a wrong impression. If any South American exporter would use the expression, "Trade with North America," he would be much more nearly right, in view of the overwhelming market that is offered by the United States of America alone, than is the American exporter who applies without discrimination the expression, "Trade with South America," seemingly not realizing that if he thereby means also the *application of identical methods of dealing* with the many different countries that make up the continent of South America, he falls into a serious error that is likely to be conducive of serious disappointments or positive failure. The sooner the American exporter is made to realize that, he will be more ready and disposed to study carefully the characteristics of each country where he desires to dispose of his products. When doing this he will merely do that which his European competitor has done for a great many years already, and when making comparisons between the results realized by Europe and those that the American exporter would like to realize, it is NOT sufficient to say: If the European countries have succeeded thus, WE can surely do the same, but it is indispensable, that when making any comparisons at all the comparison should not confine itself to figures but should investigate the underlying conditions; then it would be promptly realized that both in the character of the commerce and in the methods applied and resorted to there exists a fundamental difference. It must be realized that the home-market, with its tremendous possibilities, has at all times furnished to the American industry a most excellent field for the sale of its products, all the more so as the profits realized were of the most gratifying kind. However impor-

tant the export figures appear at first sight, the following will show clearly the overwhelming consuming power of the domestic market: In 1890, 93 per cent. of the production of the American industries was disposed of on the home market, 90 per cent. in 1900 and 92 per cent. in 1905; or, in other words, in 1890, 1900 and 1905 the export amounts to 7, 10 and 8 per cent., respectively, of the entire production. On the other hand, the textile industry of the United Kingdom, the most important of that country, produces yearly, quoting in round figures, goods valued at \$1,000,000,000, and of this total there were exported in 1909, approximately speaking, textile goods for \$650,000,000, equal to 65 per cent. of the total output of that industry alone. In Germany, industry develops on similar lines, whence it is at once seen that the procentage distribution of the industrial outputs differ fundamentally in the United States and in Europe—so far! At the same time it appears clear that the potentiality of the American production is so stupendous that if the exportation is led into the proper channels and managed properly the greatest future lies ahead of it, a fact which is shown plainly by the relative increase in the exportation of recent years which in a number of cases is greater than that registered by the countries of Europe, and which would show still much more satisfactory figures if adequate means were resorted to to increase and facilitate the exportation.

Amongst such additional and adequate means are named frequently and emphatically the establishment of additional steamer lines and the installation of specifically American banks in the various countries of South America. While that is a theme which, because of its complexity, cannot be entered into sufficiently and should not be treated either in a superficial manner, I wish to state that if confronted by the question whether these improvements should be introduced or not, I would say most emphatically and most positively that they ought to be brought about. I say so, although I realize that American banks, if established in the region of the River Plate, for instance, would necessarily meet in the beginning with serious obstacles, having to enter into competition with banks long established, but I also am firmly convinced that in the long run American banks would gain the foothold they seek and would be of tremendous advantage, even if in the beginning their results would confine themselves to convincing the American exporters of the solvency of the South American countries, doing away with the absurd assertion so frequently heard that "American goods shipped to South America go in quest of adventures."

So necessary appears to me a much more thorough acquaintance that if I had to fix the compensation to be agreed upon by new steamship lines which I assume would be subsidized by the State, I would make it a condition *sine qua non* that special rates would be allowed to merchants and their salesmen when traveling to and from South America—in fact, I would even favor free transportation—convinced that no means would be as forceful as that to induce interested parties to repair to those parts and to familiarize themselves thoroughly and exhaustively with customs, habits and usages prevailing there, and, above all, with the general condition of things in these countries of which so little is really known here.

While thus laying stress on the great importance as well as the advantages due to and accruing from new means of conveyance and institutions for opening up proper intercourse with Latin America, and I know that my opinion is shared extensively by American exporters as far as the foregoing is concerned, I must emphasize still more strongly another factor which, while in my eyes of an overwhelming importance, seems to me to have been badly neglected, and this is the factor of individual effort. Since we have spoken of comparisons, let me ask you what has the British Government done, what is the German Government doing in behalf of the expansion of the trades of their respective countries? While it cannot be denied that those and other Governments have contributed in a measure to that sought-for expansion, it must be remembered that this is but very, very little as compared with the results that have been achieved by private enterprise! The private interests of Great Britain in the hundred years or so that cover the period of commercial evolution of that country with the South American continent, invested \$475,000,000 in Brazil, \$1,350,000,000 in Argentine, \$200,000,000 in Uruguay and \$250,000,000 in Chile, in approximate figures. On the other hand, compared with these figures, the investments on the part of American capitalists are practically absolutely insignificant. How could we then expect that the Uruguayan railroads, which are under British control, should order their rails from the United States, or the electric tramways, which are in the hands of Germans, their electric supplies from this country, unless advantages of a most extraordinary character were to be realized by them when doing so? There is plenty of chance to

invest capital securely and to good profit in South America, and if the Americans only were to avail themselves of the opportunities existing trade would naturally ensue as a positively unavoidable consequence.

As has been stated briefly before, a thorough acquaintance with the individual countries and their characteristics is indispensable, and this, of course, means also a thorough study of the possibilities, of the requirements, of the predominating predilections on the part of the prospective consumer; in short, a study of what we term shortly "the markets." I am convinced that no better investment can be made by the individual exporter than to send young, energetic, enthusiastic salesmen to the various countries of South America, men that have a fair knowledge of the Spanish, or, as the case may be, the Portuguese language; men that have thorough confidence in the superiority of the goods they are going to sell—it being, of course, understood that the goods must be such as are adapted to meet the needs or the wishes of the future purchaser—and not goods that the manufacturer wishes to dump merely upon those new markets; and if the manufacturer knows how to secure and to send out such traveling salesmen as I have described, positive and gratifying results are sure to come! Amongst all the traveling salesmen that came back from Uruguay, not one is known to me to have regretted his trip. When the American exporters have in this manner become thoroughly familiar through competent reports secured at the sources with the solvency of the individual houses and know the credit that the commerce of each country is entitled to, having formed a correct idea of the stability and reliability of these markets, then I say they will be willing to increase also in an appropriate manner the facilities for payment—a thing they so far have been very unwilling to do—and will also in this respect be on a parity with their European competitor and may then look confidently forward to a rapid increase in their sales. And while referring to credit and solvency, which must be based on confidence, I would profit by this opportunity to call the particular attention of the manufacturers to the absolute necessity which exists of selecting only representatives that are reliable beyond doubt in this, their own country. There is no question but that the great majority of them are honorable persons, but there are exceptions from this rule, and while being exceptions they nevertheless are liable to produce an immense damage to the relations that should bind Northern and Southern countries for the very fact that, after all, commercial honesty is of transcendental importance. I will quote an example: One of my countrymen, a merchant of limited means, having read an advertisement in one of the magazines purchased of the representative of an American house, a merry-go-round. This agent here received the amount that was sent him in a bank draft, cashed the draft, used up the money and shipped nothing. The matter is now in the hands of the courts, the agent in question will without doubt undergo a corresponding punishment, but all that does not help in the least my countryman who has given good cash to an American industry without getting anything for his good money. The factory "washes its hands" of it, and tells him to come to some understanding with its representative. Very unfortunately, this is not the only case of its kind that has come to my official notice.

Inasmuch as practical results are to be brought about by the present meeting, a few more practical examples, although they seem, perhaps, somewhat commonplace, would not be out of place, especially so as, if only the manufacturers will be guided by them, they are sure of being conducive to good and satisfactory results.

While on the whole purchasers are willing to make payment in full against presentation of sight draft attached to documents when purchasing raw material in South America, several cases have come to my knowledge where business along the River Plate regions had become impossible because the American importer was only willing to pay 75 to 80 per cent. of the value of the goods, the balance to be paid after examination of the goods and after finding them as desired. Now, they felt rather upset when these terms were not accepted, while the South American exporter felt that his refusal was justified, as the European importer was always willing to pay in full against documents, and opined that the nature of business and human nature as well would furnish a strong inducement whereby the American importer might seek an undue profit. To me it appears necessary that the American importer should in such cases adapt himself to existing usages, especially as there are plenty of honest people to be found in the River Plate regions who will carefully examine the quality and reject what is not up to the standard agreed upon.

In this connection I will mention two concrete examples of how important it is that the American exporter should follow instructions strictly. A dealer in one of the Central American States ordered shoes from an American manufacturer, pre-

scribing that the goods should be packed not in cases, but in bags. Instead of simply complying with these instructions, the American manufacturer reasoned that the dealer did not know his business, and that shoes should come that way, and that he would be served much better if they came in cases, with the final result that the Central American dealer had to pay a much greater amount of duties than he had counted upon paying, and was thoroughly disgusted. Moreover, he deducted the difference paid in excess when settling the bill, and this again annoyed the American manufacturer. Now, who was wrong in the case—surely the party that disregarded explicit instructions. A shipment of hardware that was destined to cross the Andes Mountains was ordered to come done up in packages of 70 kilos. The supplier, thinking that it would work out disadvantageously to the purchaser, shipped the goods in packages of 150 kilos, as there was a saving in packing; but as the goods when reaching their first destination had to be forwarded on muleback, it was necessary to split up the packages and repack them, so as to have the requisite load for this transportation, and again the excess charges were deducted from the account of the shipper, who on his part protested most vigorously, while, after all, he was the one to blame, shipping contrary to instructions, and while in both cases the American exporters meant well, they lost the customers, as they had lost confidence and were afraid that also in the future their instructions would be disregarded.

Much more cheerful is, however, the aspect in the following case, especially so as it shows in a remarkably clear light what can be accomplished and the splendid results secured by an American house. An American exporter, not satisfied with the results reached by his firm in the Orient, decided to devote his interest to the exportation to South America. After obtaining brief but reliable information from reliable sources, one of the partners went to South America, and he visited at that time, about four years ago, Brazil, Uruguay, the Argentine Republic and Chile. He picked out the houses with which he thought he might best do business in the future, sold them bills of goods and netted \$1500. Having spent \$2500 on the trip, he was out \$1000, but he had been so careful in filling his orders and had given stringent orders to his firm "that they were to fill all orders strictly as specified," that repeat orders came in with surprising speed. Only last week this same gentleman came to see me in my office and told me that although he had not struck as yet the balance for last year, he was certain that he had realized a profit of some \$27,000 in his business with South America. He added that he would shortly go to South America again for the purpose of conceding greater facilities to his customers and increase considerably his shipments there, and he stated, moreover, that it was his intention to abandon entirely his business with the Orient and devote himself instead exclusively to business with South America.

And success of this kind, well earned and well merited, need by no means be an isolated case. On the contrary.

As this case is, moreover, a splendid illustration of a foregoing assertion, I may say, in short, that the praiseworthy assistance from the United States Government, the Pan American Union and other institutions of a commercial character, represent powerful factors indeed which I see every reason to congratulate you upon sincerely and unreservedly, but they must count also upon the individual efforts of the American exporters and manufacturers if their endeavors are to be crowned with complete success and if the goal of the United States Government and the Pan American Union is to be reached.

For these reasons I would add to the saying so frequently quoted when contemplated improvements in navigation matters are being discussed, viz., that "trade follows the flag," the following: "*The success of the American export trade is in direct proportion to the individual effort displayed.*"

DIRECTOR GENERAL BARRETT: We are to have one more brief address. It will only take a few minutes to hear from Mr. Alfredo Metz Green, Consul of Uruguay.

ADDRESS OF MR. ALFREDO METZ GREEN, CONSUL FROM URUGUAY, IN NEW YORK

Mr. GREEN said:

Gentlemen: Considering the questions of the hour, I have noticed that of late years goods exported by this country have been greatly improved both in quality and prices.

In the South American republics today American goods are appreciated much more than they were formerly. Some years ago, it must be confessed, American goods had a bad reputation. It seemed to us that the merchants had determined to send us only those goods which were not accepted by their own consumers or by European merchants.

This may have happened through knowing so little about our republics. Their knowledge of us was completely erroneous as shown by the statistics of the illustrious Senator Elihu Root after his visit to our countries. Perhaps they were at that time indifferent to conquering our markets on account of the enormous demand for the goods in their own country—demand which was greater than the supply and with better results as to prices. At present, however, the situation in this market is completely changed. The cost of living is high, and purchasers only buy what is absolutely necessary. Factories are increasing and competition is great as similar goods are introduced from other countries. Certain it is that manufacturers need an outlet for their products, and their gaze is now fixed on South America, where, without doubt of any kind, there is a large field for their commerce.

Naturally, to enter these markets the manufacturer understands that his articles must compete in quality and price with similar ones introduced from Germany, England, France, Italy, etc.

This explains why manufacturers are always anxious to improve their products. I state with sincerity that the American goods can and should compete with the European.

Nevertheless, there is one impediment which, in my judgment, will prevent this conquest; that is, unless the American merchant considers the matter well and makes a radical change in his manner of doing business. I refer to the credit. The merchant of this country has always acted on the cash system. His products are often, and I will say generally, paid for before leaving the factory to be shipped. This system is not accepted in South America.

The merchants of these republics are accustomed to buy on 90 days' credit, without including the 30 days for the arrival of the goods and the 30 days before receiving the payment or draft, which makes in all 150 days' credit, with 6 per cent. interest.

Germany, for example, is the most liberal in her credits. There are German manufacturers who give from six to nine months' credit, especially those who deal in dry goods and furniture for bazars.

The reason for giving such credit is easily explained. The European manufacturer has full confidence in the South American merchant. Besides, he knows that as soon as his merchandise is shipped, for these markets, he can have their value discounted in any bank, sure that he will not be exposed to lose one cent.

The South American merchant is generally honest. They are universally renowned for their honesty, and this is well known to the merchants of the United States. Of course, as everywhere, there are sometimes exceptions, but I must say that in these countries such exceptions are rare. I will quote, for example, the Republic of Uruguay, which I have the honor of representing in New York in my character of Consul. In my country, I can assure you, without fear of being contradicted, that we have a commerce which glories in its honesty.

In many cases merchants there who have had bad results in business have been known to deprive themselves of everything in order to pay the integral of their debts, and commenced anew to recover the capital which they had lost after 20 or more years of struggle. This, indeed, is honesty.

To give an idea of the good faith and honesty of the merchant of Uruguay, I will only say that failure is rare in that country, and when it occurs it surely is that he is really obliged to arrive at this extreme on account of the bad state of business.

When the agreements are signed they are usually to the advantage of the creditor, as in most cases the arrangements are made on a basis of 70 and even 80 per cent., and even these are the lesser or small merchants, who buy from the importers and whose capital never exceeds \$10,000 to \$15,000.

I have not come here to praise the merchants of my country, but only to make it evident that our business is of the most solid, and merits, therefore, that the American merchant should place more confidence in us than he has had heretofore. Otherwise, he can never conquer the republics of South America.

What is also required to befriend, or support, this commercial current between the United States and South America is the American bank so to make it

easy for the manufacturer to extend his credit to the merchant so that it should not be necessary for the manufacturer to demand payment for the goods before the purchaser has had an opportunity to examine them.

The American, being in competition with the German, English and other European manufacturers, who with pleasure facilitate credit, and sometimes considerable credit, it is evident that the former cannot hope to realize the sale of his merchandise unless it is superior in quality and price to the similar European goods.

Many American goods are cheaper than the English and German, and would dominate the market if presented in the proper manner.

American houses should send agents to South America as the Germans do, provided with samples, and not try to sell by means of catalogues written in English, and generally badly translated into Spanish, which are ridiculed by those who receive them.

Before concluding I would like to refer to the bad faith of some American manufacturers, which tends to injure the general commerce of this country.

I have known many cases in which the South American merchant has bought goods through the catalogues, and the articles which were sent to him were entirely different to those he wished to buy. Notwithstanding the protests and the pleas for redress which these merchants make, the seller pays no attention, and finally we, the Consuls, are requested to intervene in these cases, and usually without any result.

Of course, with this system 80 or 90 per cent. may be gained instead of being satisfied with 10 or 15 per cent. The result is that they lose their custom and their reputation amongst the merchants of these republics. Besides, it is exceedingly detrimental to honest merchants of this country.

This is an important matter, which should with efficiency be set right in order to gain the entire confidence of our business men.

QUESTION: Are there any electrical developments in Uruguay?

MR. GREEN: We have lots of electrical lines, but electricity for industries is not very far ahead. I think there is a chance for electricity there, and that if you study the business it will bring you money. I am sure of it.

QUESTION: I would like to ask about the schools of Brazil.

BISHOP KINSOLVING: I can only say that the President of Brazil, of blessed memory, said that the whole school of one of the most advanced States of Brazil was benefited and uplifted by the presence of those American schools. I will say I have nothing personally to do with those American schools. They have been established by the Methodist and Presbyterian churches, and I think they deserve the high encomium of the late President of Brazil.

QUESTION: What language do they speak in Uruguay.

MR. GREEN: Spanish.

BISHOP KINSOLVING: We speak Portuguese in Brazil.

MR. WICKWIRE: I would like to know if they have colleges in Brazil for the study of electrical engineering.

MR. GREEN: One of the departments is polytechnic in Rio, and we have engineering, too.

DIRECTOR GENERAL BARRETT: I want in that respect to state that it is not often known that they had a university of a thousand students in Lima, Peru, one hundred years before Harvard was founded. And I have seen the distinguished Minister of Colombia, Dr. Borda, address a thousand young men in the university of that country—the National University—that I would put up against any thousand young men that you would get together in any university in the United States. And I want to tell you that the law that he discusses before those men would be worthy of the law of our highest legal institutions of this country.

BISHOP KINSOLVING: One of the greatest authorities on Spanish in this country, who has given the great Spanish Library to the city of New York, Mr. Huntington, after long years in Spain, visited South America and said that the purest Castilian on earth today is spoken in Peru.

MR. MASSEY: We have had a good deal of talk about salesmanship, and I think you really have to catch a man through a salesman to make you successful selling goods, and I should like to know what the opinion of those is who know if you do better to go to South America and catch the natural-born salesman who is a Latin and familiarize him with the North American goods, or take the North American who is already familiar with the goods and familiarize him with the Latin American.

DIRECTOR GENERAL BARRETT: That is a very good question. I will ask Mr. Santamarina to answer it.

MR. SANTAMARINA: In South America we breed some very good salesmen, but we find that the man who comes from the factory and has been educated there into the details of the business will better know the manufactured goods he is endeavoring to sell, and much better than our natives could, and I would strongly advise you if you do send a salesman to send a good one and let him understand his business thoroughly, and that knowledge you cannot so well convey to any other country's expert. It is necessary in my opinion to get the right men at the end down there to do the demonstration. I have seen over and over again traveling salesmen representing American and other countries, and representing them well as salesmen from the talking point of view, yet there were many facts attached to the goods that our native salesmen did not comprehend, and that was just the selling point, and they lost the order. My final advice is to send men down there who know their business thoroughly.

MR. MAHONY: The question of the Spanish language, and I address my question to Mr. Santamarina because he mentioned the difference between the Spanish of Argentina and that generally known as Castilian Spanish, and that would be intelligible to the Argentine Spaniard, so to speak. Of course, those manufacturers of the United States who have been covering the whole field where Spanish is spoken could not maintain a staff, where they do maintain a staff at all, which would be competent to place their literature in the vernacular of any particular country, or all countries, and I would like to have asked this question: If a catalogue is properly written in the Spanish, that is, anything is put into the Spanish language by an American merely possessing that language and edited by a native Spanish scholar, if that could not pass current in any country in any of the Pan American republics where Spanish is spoken?

MR. SANTAMARINA: Well, I give a great deal of importance to the publication of catalogues, and I am sorry I have had so little time to speak of the South American and the Spanish of Latin America, and that I have not been able to go into all the features of the catalogues, because it takes a study. It is a fact that export life has become so intense that it is a science and you have got to make it a study. Consequently, the making and the compiling of a catalogue deserves much consideration. I will tell you a personal experience. I have had firms in the United States wishing to get out a Spanish catalogue, and they will get any sort of a translator, just in order to save expense, to make the translation. If a merchant has goods he wishes to sell, we should be able to see the quality of it in the catalogues. It will not do to ask a mechanical engineer to translate for an electrical catalogue, because he won't know the electrical terms. You want to get electrical specialists for that work.

As regards the kind of Spanish, keep to the pure Castilian as much as you can; let us learn and teach pure Spanish, and not slang.

With respect to salesmen, it is not necessary for them to have a perfect knowledge of the Spanish language. I have had the experience, as you may have had yourself, that we of South America pay greater respect to a man that has some little understanding of the language, and you will listen to him with greater attention and have more feeling for him than if he is a perfect Latin scholar. If the American comes to us and does not speak our language very clearly, we pay better attention to him than to the man that has the knowledge of our language. I will give you an example. I know an advertising agent in Buenos Aires who knows how to smoke a good cigar, and he is an American, by the way, but he hardly speaks Spanish, and he has an interpreter, and when he meets you he can only say, "How do you do," and that is the way he is. That is the way you can get our orders, say, "How do you do." The well-to-do and the up-to-date commercial people in the older republics you will find at least 60 per cent. that speak good enough English to wish you well.

DIRECTOR GENERAL BARRETT: We will adjourn for this morning in a moment. Is there any other important question in regard to Brazil? Mr. Brownell, we have had quite a period on Brazil, and you were absent.

MR. BROWNELL: A number of years ago, say about fifteen, I had a very interesting talk with Mr. William E. Curtis, who had been through Brazil, and he raised this question about the packing of our goods, which was not in conformity with the wishes of the people down there. I would like to ask any gentleman from Brazil

whether in that time, in the fifteen years, there has been any distinct advance made in the question of packing goods to suit the necessities of the people of Brazil particularly.

MR. RAPOSO: American manufacturers are improving every day.

DIRECTOR GENERAL BARRETT: In regard to the lunch given to the conference today by the Board of Trade and Chamber of Commerce at the New Ebbitt Hotel, this vote of thanks has been proposed:

RESOLUTION

WHEREAS, The delegates to the Pan American Commercial Conference were the guests of the Washington Chamber of Commerce and Board of Trade at a luncheon given today, February 15, 1911, in the New Ebbitt Hotel, and

WHEREAS, The members of the Chamber of Commerce and Board of Trade have shown great interest in their visit to Washington and endeavored to make their stay a pleasant one, therefore,

Be it resolved, That the delegates to the conference express their appreciation of the luncheon tendered them, and of the hospitable treatment which they have been accorded.

Be it further resolved, That a copy of these resolutions be forwarded to the respective presidents of the Chamber of Commerce and Board of Trade, with the request that they be transmitted to the boards of directors of the two organizations.

The adoption of the resolutions was duly moved and seconded, and upon being put was carried unanimously.

Thereupon, at 5.45 o'clock P. M., the conference adjourned until tomorrow morning.

THURSDAY, FEBRUARY 16—MORNING SESSION

The Conference was called to order at 9.35 o'clock A. M., by Director General Barrett.

DIRECTOR GENERAL BARRETT: I have a most gratifying announcement to make this morning, incident to which I am a little delayed in arriving, and that is that tomorrow morning at 10 o'clock we will have the honor of being addressed by the foremost Pan American, Senator Elihu Root. I personally went to see him this morning, and conveyed to him the action of the conference yesterday, which pleased him very much; and, although he is rushed to the very limit at the present time, he said he would be here possibly at 10 o'clock tomorrow morning and say a few words to the conference, show his sympathy with the work and his interest in it, and I hope all of you will make it a point to be here, and seeing that the representatives of the countries are here to hear what he may say, because no one can overestimate the good he has done in making North and South America better acquainted.

I am going to start off this morning with some remarks by Hon. Julius Lay, Consul General of the United States to Rio de Janeiro, who has also had extended experience elsewhere, who will speak ten minutes and then be glad to answer any questions that you may ask him.

ADDRESS OF MR. JULIUS G. LAY, U. S. CONSUL GENERAL IN RIO DE JANEIRO

Mr. LAY said:

Mr. President and Gentlemen: I have not attempted to prepare a comprehensive review of the trade of Brazil, which you will find with complete statistics in the excellent publications issued by the Pan American Union and in the Consular Reports, but shall make a few suggestions as to our opportunities of increasing our trade with Brazil, developed as a result of my brief service at Rio de Janeiro.

With the facts obtained from the publication mentioned regarding the wealth of Brazil and the bright prospects of its steady development, and bearing in mind that very few of the wants of the people are manufactured in the country, and goods to the value of \$179,690,000 were imported in 1909, or \$37,500,000 more than in the year 1905, we can get an idea of the opportunities afforded to the foreign manufacturers at the present time, and what can be anticipated. The extension of railways, too, is a good barometer. The total railway mileage of the country in 1909 was 12,183 miles.

The Brazilian Government fully appreciates the necessity of building railways to develop the enormously rich resources of the country, and, according to the last annual message of the President of Brazil, the railway mileage was increased 1477 miles during 1910. This is a great field for our railway supplies and also for our capitalists.

Steel importations in 1909, consisting of rods, iron bars, plates, sheet iron for building purposes, structural iron, etc., amounted to \$3,000,000, which came from the United Kingdom, Belgium and France. Our trade in 1910, however, has doubled. The United States Steel Corporation has just established a branch house in Rio. The Standard Oil Co.'s confidence in the future of Brazil has also recently been shown in the same way.

Weaving mills, cottonseed-oil factories and sugar refineries are springing up in almost every State, and a few iron foundries are to be found in many parts of the country. Most of the small cotton factories around Rio are now driven by electric motor power. These factories will create an increased demand for electrical and industrial machinery.

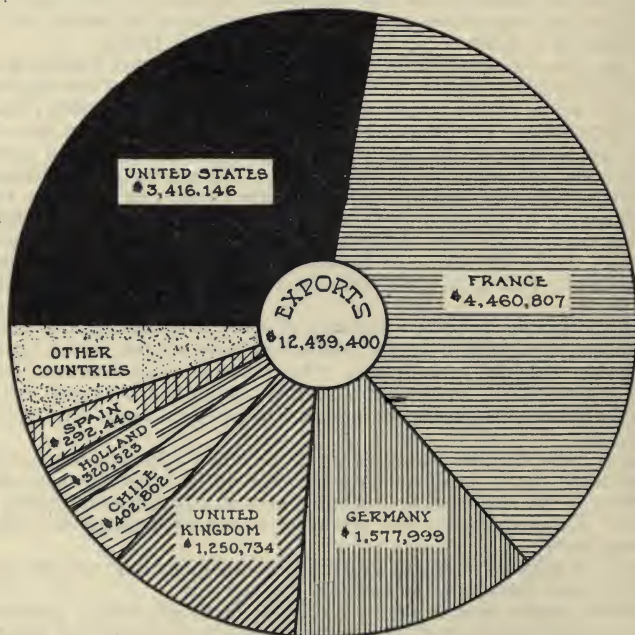
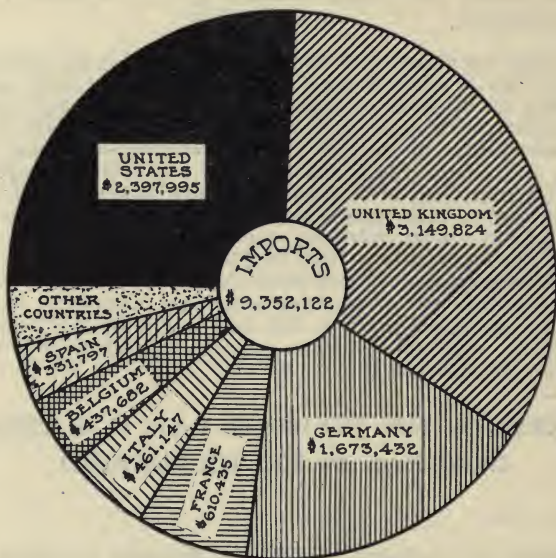
Brazil is a splendid field for hardware of all kinds, but we are not doing as good a trade in some lines as we should.

American cement should have a great sale in Brazil, with a preferential of 20 per cent. on customs duties which the American product has enjoyed since the begin-

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\$21,791,522.



ning of 1910, and American shipments amounted to only \$2000 as against over \$1,000,000 from other countries during the first six months of 1910.

The increase in imports of American machinery of all kinds into Brazil for the first six months of 1910 amounted to \$800,000.

These are only a few of the opportunities for our manufacturers in this great republic.

Now, let us examine our position in Brazil today. The United States enjoys a fairly good trade, amounting now to \$22,265,534 in 1909, as against \$14,716,425 in 1905, and the statistics show that our percental share as compared to other countries has increased more rapidly, and we have kept pace with the general increase. This increase in American trade in Brazil has been secured in the face of keenest competition, and the improvement is due, more than anything else, to sending more intelligent representatives to Brazil to arrange good selling connections. One of the best indications of our increased interest in the Brazilian market is the gain made in goods classed as manufactures, which increased from \$9,868,865 in 1905 to \$15,701,206 in 1909, notwithstanding a loss shown in cotton goods of \$600,000 during the same period.

This is not a bad showing, considering the many disadvantages we work under in Brazil.

The chief hindrance to a material extension of our trade is, first, the strong, permanent influence of European capital invested in the best Brazilian industrial undertakings, which receive most of their supplies from Europe. Let me give you an example of one of our neglected opportunities: Last October the Brazilian Government asked for bids from all countries on harbor work at Fortaleza, to cost \$5,000,000, but none were submitted by our contractors. One or two such contracts would do our trade more good than anything else, even more than the preferential tariff concessions now granted. As someone rightly put it, "Trade doesn't follow the flag, it follows the loan."

Of course, we are at a disadvantage in not having a first-class fast American steamship line to Brazil. Such a line would mean an efficient mail service, instead of the unsatisfactory one which at present exists. It would encourage South Americans to visit the United States, and thus give them a better understanding of our resources, and it would send more of our people to South America to see for themselves the opportunities there for investment, and to study the wants of the people.

An American bank would, like a steamship line, also greatly facilitate business with Brazil and develop American investments, provided a banker can be found with available surplus capital to start it.

But all these so-called obstacles to trade with South America do not compare with the biggest obstacle of all: Ignorance or indifference to our opportunities. I do not wish to infer that some of our exporters do not know their business. On the contrary, there are American firms doing business in South America today who cannot be taught anything by their European competitors, but how many are there? They can be counted on your fingers, and, gentlemen, these are the firms who have increased our trade with Brazil \$7,000,000 in the last five years; not in *non-competitive goods* or *rare products*, but in *manufactures*. These firms are not afraid to meet the competition of Europe, nor are they deterred by prosperous conditions at home. Some of our manufacturers in the United States have, even during times when their factories were occupied with domestic orders, turned their serious attention to the export business, and have, instead of spasmodically seeking foreign trade only when times were bad, always given priority to their export orders. There is one case I know of, and there are no doubt others, of a concern in New England keeping its factory going full time filling export orders during the depression of three years ago, when their competitors were closed down, because they had worked up a steady export business during good times in the United States.

But we are not here to find out how well a few firms are doing, but how we can still further advance our trade in Brazil.

It is impossible, of course, to lay down any rule which could be followed successfully by every exporter, but the first step I would suggest to the beginner in the export business is to get definite information on the field he proposes to enter before he undertakes any plan of campaign. Some manufacturers act on inaccurate advice or no advice at all, and, of course, fail. Remember there are two kinds of useful foreign trade information, and the difference must be distinguished between the two.

The first class embraces statistics and information relating to the general principles underlying the trade of the country and suggestions as to the openings and possibilities for new lines of American goods not yet placed in the particular market under

consideration. This information is only suggestive, and you cannot do business on it.

The second class of information embraces knowledge of not only South America in general, but Brazil in particular. It includes a knowledge of peculiar local conditions as they bear on your particular line.

For example, I might give you the mileage of Brazilian railways, and that information might be sufficient, perhaps, to determine the approximate business that a manufacturer of certain railway supplies might reasonably expect in the United States, but not so with Brazil. There are miles of railway owned in Brazil by a British company that naturally purchase their equipment in England, while, on the other hand, the Government railways buy in the open market. The same condition exists as to plumbers' supplies and sanitary appliances in the city of Rio de Janeiro, where an English company owns the water-works concession. This is also true of the English flour mills.

An exporter, to be successful, in addition to his general information, must have this detailed information before he enters the foreign field.

There are various sources from which to obtain both useful, general and definite information about South America. For first aid one cannot do better than apply to the Pan American Union, which Mr. Barrett has made such a splendid storehouse of information, and to the Bureau of Foreign Relations, Department of State and to the Bureau of Manufactures, Department of Commerce and Labor, here. Our consular service also renders at the present time valuable assistance to our exporters, but in the majority of cases definite knowledge of a certain field, such as ratings on which you can do business, is beyond the inherent limitations of the service, and must be obtained from banks and elsewhere. There are no commercial agencies in Brazil.

Having once secured the necessary definite information in his particular line, the manufacturer can decide whether the market will pay him to send a representative to further study the field and make good selling connections. He can then decide whether to send a technical expert or determine whether the market is worth the outlay necessary to do so. By all means spend money on the Brazilian market. It is worth it. Advertise like you do in the United States. In some cases advertising should precede any steps toward exporting to South America, as it will often show you that dealers are interested in seeing your goods. Our main trouble in Brazil is lack of proper representation. Our trade suffers from not having an American importing house in Brazil, one at Rio de Janeiro and another at San Paulo, handling the products of four or five American manufacturers of hardware and machinery. These houses could act as the agents of our harbor works and railway contractors. With a capital of \$100,000, such a concern would be successful.

Five American firms in non-competing but allied lines have for a number of years jointly employed a first-class traveling representative, paying him partly in commission and partly in salary, who makes selling connections for his principals on the sole agency plan in South America and South Africa. He periodically visits the foreign houses, accompanies the travelers occasionally, visits sub-agencies and in other ways insures his principals getting all the business they are entitled to. If they can find a man like this one, other manufacturers whose foreign business is small should adopt this plan.

Brazil does not offer a market to only those who can afford to send representatives there. If your business does not, after going into the question carefully, warrant such a course, you must decide whether your goods can be most advantageously sold by an importing house with the exclusive right to a certain territory or through a manufacturing agent on a commission basis. The tendency, not only abroad, but in this country as well, is to eliminate the middleman more and more, but whatever may be said against the commission houses, they were the pioneers of our export trade, and in some countries, as in Central America, we could not do business without them, and I doubt if we will for many years.

We hear a good deal about a loss of trade in South America because we will not grant so-called credits, as do the English and Germans. We undoubtedly have lost trade by demanding cash against documents in New York, because our firms have not taken the trouble to investigate their customers, but as far as I can learn, British and German firms do not give open credit indiscriminately. The majority of them grant just the same terms as our intelligent firms on the basis of 90 days' draft, with documents attached which are delivered to the consignees on acceptance of the draft. Such a draft is just as good as a promissory note, and they are always paid, except by those firms you should not do business with at all. I do not believe there are many British or German firms who give open credit except to very old-established firms

with whom they have dealt for many years, and then they charge interest. No doubt we Americans would do the same under similar circumstances.

It is not easy to find in the United States a good representative to travel in Brazil and the Argentine. Of the large number of American representatives who have visited the consulate at Rio while I was there, two only spoke Portuguese. No doubt in time some of our schools will teach some of our boys Portuguese and our firms will send young men to South America as apprentices to learn the language and meet the people. Until then we shall find difficulty in finding American salesmen like the Germans. It has occurred to me that Chambers of Commerce might offer a scholarship to schools that would induce young men to go abroad to serve one or two years.

Now, a word about our foreign service in South America. As Mr. Wilson explained yesterday, the diplomats are creating conditions to make sales possible. We consuls are endeavoring to make friends with the merchants of South America and to keep in touch with trade opportunities. Many of our officers are spending their time in the United States meeting manufacturers and learning what is so essential—the American business man's point of view of the export business and what he wants. We appreciate the splendid efforts you are making to keep the service intact, and we are trying to show you our gratitude by rendering you efficient, practical assistance. I hope when you come to Brazil you will be sure to come to the Consulate General there, and I will tell you more than I have today.

MR. ENRIGHT: Is there any means of getting into Matto Grosso without going around Montevideo into the interior provinces through Paraguay?

MR. LAY: You have to go around Montevideo. I just got notice about a railroad built into that country to break out the iron ore and manganese.

MR. ENRIGHT: From what port?

MR. LAY: Porto Alegre.

DIRECTOR GENERAL BARRETT: I told you yesterday that Mr. Charles M. Pepper, who is perhaps as well informed as anyone on Pan American trade from Canada south, in my opinion, as there is in this country, was unable to be with us, but he has kindly consented to come here this morning, and I am very glad that we can listen to Mr. Pepper, and, following his talk, I am sure he will be glad to answer some questions. His presence here is particularly interesting and appropriate at the present moment because of the very prominent part he has taken in the negotiations with Canada.

ADDRESS OF MR. CHARLES M. PEPPER, OF BUREAU OF TRADE RELATIONS, STATE DEPARTMENT

Mr. PEPPER said:

Mr. Director General and Members of the Pan American Conference: The Director General was good enough to tell me some weeks ago, when he asked me if I could make a brief address to this Conference, that if I was pressed with other work it would not be necessary to prepare a formal paper. He said all he really wanted was for me to stand up and be made a target for a while so questions could be fired at me; that I could take my own text and select my own hook to hang a few remarks on. In a case of that kind we take the text that interests us most, individually and personally, and in everything relating to Pan America during the last few years I have found my greatest interest, not to the exclusion of other subjects, in the effect which the Panama Canal may have on South America and its trade and its progress generally.

I know you had the subject discussed yesterday very fully, very completely, so I will not attempt to enter into it except in the briefest possible way, but will make a suggestion or two which you may care to follow up with questions.

I was rather startled to read in the newspapers just a week ago, when Colonel Goethals, in charge of that great construction work, told a committee of Congress that Congress had better get ready, had better arrange about the tolls of the vessels and other details, for within three years the dream of four centuries was going to be realized, and the canal would be opened.

I wondered then if those of you who are engaged in practical trade, sweeping the whole horizon of Pan America, had yourselves given much study to the benefits which the canal is going to be to you on the west coast, and even in the interior of South America.

I am glad to see here these maps, because they illustrate as cannot be illustrated in any other way, in a broad sense, its commerce, geographical relation and

the trade currents of all Pan America. I don't know—running up those figures hastily—but there seems to be something over \$300,000,000 already of the west coast's commerce, and I would not care to make a guess as to how much will continue to flow around the Horn and Magellan Straits and how much through the canal, but we are all agreed that a very large portion will come up through the canal. Commerce flowing out that way inevitably creates a return current. I imagine that the course of trade from those west coast countries will lead to the development of their mines and those other national resources that all the world is reaching for, but you have to remember also that all the lines of communication now are reaching across the Andes into that great Amazon valley. I have the idea that within the next five years, when that wonderful enterprise of the Brazilian Government, the Madeira-Mamore Railway, is completed, and those interior regions of the Amazon are opened for rubber and other products through to the Atlantic, a return current will also be created, because the railway lines on the Pacific will also be piercing through the Andes. I remember that it was less than seven years ago in Chile when the plans were considered for the Transandean Railway through the Uspallata pass. It had previously been considered for 50 years and pushed aside as a dream—something that would never come—just like the canal, but you know that road was opened less than a year ago. I am satisfied that within a few years there will be other railroads across the Andes from Tucuman to Caldera, coming clear down into the Amazon, from the Beni up into Bolivia, from the Marañon to Paíta, and from the Ecuadorian affluents of the Amazon, for the trade coming out on the Pacific as well as on the Atlantic. The Director General calls my attention to this map, which shows that in a little better detail, but the point I want to make is that all these means of communication and the opening up of that vast interior of Brazil to the Atlantic and to the Pacific—the Pacific especially, through the Panama Canal—means the developing of a very great trade and the bringing out of those resources.

You are aware that the Pacific coast has not been gifted by Nature with good harbors; there are very few indeed. The first thought that has always occurred to me as I traveled down the coast was the expenditures which would have to be made when the canal was opened in order to get facilities improved for transportation and harbors. I think every Government on the west coast is already considering that. As they build their railroads, as they bring their products down to the coast, inevitably they have to find better harbor facilities. In the first place, that means very large contracts, because those public improvements must be undertaken on a large scale. I hope that all those contracts will be had by contractors in the United States. I do not say this in derogation of the European contractors, but it is a Pan American policy. It will mean, of course, very large supplies to come from the United States. It will mean the employment of labor under the direction of the contractors and capitalists from the United States. It will mean the opening up of interior resources. It will mean the investment of capital in developing those mines, in building further railroads.

In considering that, and in speaking to you as practical business men, I wonder how many of you have really studied the geography of South America? I have harped on this subject and it has become something of a hobby with me, but in numerous addresses on South America the first question has been, "Have you a map? Do you know where it is? Do you know what the countries are?" I am bound to say that in a good many instances I have found very vague ideas indeed of what South America is. I am glad to say that the ignorance is not entirely our own. We can poke a little of that ignorance at our English friends. Some years ago the wife of the British Minister in Peru told me she had just received a letter from a friend in London, England, asking her about the wife of the British Minister at Rio de Janeiro. She thought Rio de Janeiro and Lima were about as close as Washington and New York.

In another instance I heard the story—perhaps you have heard it also—of a very learned society in London which was to have an address on Bolivia. The lecturer got there, a distinguished Englishman himself, who had explored all parts of the world, and found the members debating whether Bolivia was in Asia or Africa. So our ignorance, while great, is not any greater than our European friends, but that is no excuse, and the point I make is that the very first thing for you to do in order to get into the technical matters of your business and the different lines of your trade is to form a definite idea of the geography of all these countries, of what the commerce amounts to in them, of what their resources are; and I think

myself the very best way for anybody to accomplish that is to travel with a map. The very best thing for a business man to do, when a letter comes in from South America, is to look at the map and see where the point is. That is the first thing that occurred to me. I know some persons discount that, but commercial geography follows physical geography. We all know the very great work which has been done by the Pan American Union, since our friend Barrett took charge of it, in educating the American public to the vast resources and possibilities of South America—not only the attractive manner in which he has brought that subject before the public, but the very thorough manner also—and I am glad to read the way the *Monthly Bulletin* is jumping into circulation, which is a very good sign. When my occupation is pressing on me, and I am away behind on Latin America, I get the *Bulletin* and read up, and in that way get posted with detailed information. I think you should follow that up and take advantage of the things given you there, so that those of you who have trade with those countries, who are seeking business with those countries, may know more about the details.

Director General Barrett occasionally sends to us in the State Department young men who are going down to South America. He always sends them over with a very kindly letter. I know he has given them some very useful hints, but in his natural kindness of heart he does not scold them, but he questions them, "Do you know Spanish?" I venture to say four out of five do not. They tell me Mr. Barrett has suggested to them that they ought to learn Spanish. I say, "You *must* learn Spanish if you are going to Spanish America." Really, gentlemen, there is no excuse for anybody wanting to do business with Latin America not knowing Spanish, or if he is going over to Brazil not to know Portuguese. Certainly, the Spanish language is not hard to learn; at least those of us who speak it very badly think it easy. We do not try to speak it to many of our cultured Spanish friends, but when we talk among ourselves we speak Spanish, and we find in those countries, badly as we do speak it, that the people understand. It is a medium of intercourse and puts you at once into communication. Without that medium of intercourse you cannot know your surroundings and know what people are thinking.

Here is the very first point I would impress upon every business firm who are thinking of sending young men out to Latin America, anywhere, is that they start in to take lessons. If they only have a month, they can make a beginning.

I remember in Mexico meeting the head of a very important Belgian house. He was a middle-aged man, and, like all commercial men of Europe, spoke several languages. It happened he had not learned Spanish, and he acquired something of it on the ship crossing the ocean. We met a young American who was trying to do business down there, and yet he did not know Spanish. This European business man said: "What do you expect that young man to accomplish? He has been 12 months in Mexico and does not know the language yet. I would not give him \$5 a month." Beyond that, when once you get to know these countries, their institutions, resources, governments, business and capabilities, then you can come down to the detailed study of their wants, the peculiarities which make every market, which must be studied; of the difference in trade values, the difference in advertising methods, of credits and all those incidentals. But I have never encouraged going into those details until first that broad foundation was laid of knowledge, of the resources, of the trade generally, then get down to your specific trade.

Gentlemen, I have had my three minutes and I am ready to be questioned.

DIRECTOR GENERAL BARRETT: I am sure everyone has enjoyed that very much. Now we want some questions of Mr. Pepper.

MR. FRANCIS J. LOWE, export merchant, of New York city: I would like to ask the gentleman, in order that a young man might represent a house properly in South America, what would be the proper expenses per day for that gentleman. That important question has been asked by many firms throughout the country.

MR. PEPPER: I should say \$10 a day.

MR. LOWE: It seems to me \$15 would be more like it. I have been there.

MR. LINDSAY: You are not including traveling expenses.

MR. PEPPER: I am not including transportation expenses. I mean traveling expenses, when you get there.

MR. McMENENDEZ: I would like to know how long, in your estimation, it will take for the completion of the Madeira-Mamoré Railway.

MR. PEPPER: I think it is to be finished in two years. You know they are building; they completed a section a little while ago.

MR. MANNING: I was told by a man from there a couple of weeks ago that they expected to have it in operation at the end of two years.

MR. NOEL: Is it so that the Argentina Railway is being prolonged across the Andes to come out to Antofagasta? Have you any information about that?

MR. PEPPER: At Copiapo; there is where the low pass is.

MR. NOEL: Is that being prosecuted now?

MR. PEPPER: I think they are extending that now. I don't know the full details, but it will be the next line.

MR. CHANDLER: There are three new transcontinental railways being very actively pushed, the first one by the Argentine Government of Port San Antonio, from the Rio Negro on that bay, across the Rio Negro territory through Colonia Walchata. The Southern Railway, which is now the largest railway in the Argentine Republic, is very actively extending its railways to connect with Chile. There they have only a very slight distance to go, and when I left Buenos Aires Christmas day it was being very actively pushed.

In addition to that, there are two or three railway schemes which will be finished in the next three or four years in the upper part of the country. So there seems to be every probability that these railway lines will be completed by the 1st of January, 1913. It is very probable that the Governmental railway will be finished before then, and the Southern railway is especially anxious to get it done in competition with the Buenos Aires and Pacific.

MR. MARSH: I understand the Portuguese language is essential for doing business in Brazil. I would like to ask if a knowledge of the Spanish language would cover all the other South American Republics.

MR. PEPPER: All of them, yes; but not all Latin America.

MR. NOEL: All of them except Haiti, where the language is French.

MR. W. J. H. NOURSE, of Boynton & Plummer, Inc., Worcester, Mass.: We have heard a great deal about the railroads. What has been done in the development of the wagon roads? You must have other transportation facilities, it seems to me, to keep up with these railroads. Is there being much done in the development of the wagon roads?

MR. PEPPER: In some sections, considerably. For instance, in Peru, where the Inca Mining Company has concessions, they have opened up a trail and wagon road from its mine right down into the river regions. In a great many cases roads are made by the mines and other industries in connection with the governments.

QUESTION: On the question of roads I would like Mr. Pepper to state whether the Brazilian Government is not constructing several systems of roads to be used exclusively for automobiles.

MR. PEPPER: I think so.

QUESTION: Are there good roads in Latin America?

MR. MANNING: In Venezuela during the last year anywhere from 150 to 200 miles of new cart road have been constructed. They have not been prepared for automobile traffic, but it is the opening wedge, and the Government has made liberal appropriations for this coming year for the extension of the wagon road system of Venezuela.

MR. CHANDLER: One very important point to make in connection with that is that the Argentine Minister of the Interior asked me to particularly speak to this conference about, the opportunity for all kinds of road-making machinery. He said they had never received a catalogue from an American firm. Five of the largest provinces of Argentina are going to spend \$3,000,000 gold for road improvement. That entire business is not now held by anyone, and there is no reason why it should not be held by us, because there is tremendous opportunity for our people all over the Republic.

QUESTION: Mr. Pepper has referred to the Madeira-Mamoré Railway. I would like to ask him how much longer that work is likely to be continued before the rails are laid.

MR. PEPPER: Why, they have laid several sections already.

QUESTION: I understood recently it would probably be a year or a year and a half before it is completed.

MR. PEPPER: Before it is completed—they have within two years completed 185 miles, and that is now in operation.

DIRECTOR GENERAL BARRETT: There has recently been a very interesting article on that subject in one of our Bulletins, which Mr. Pepper has been good enough to refer to. I want to say, right in that connection, we did not want you to think

that we were not going to use you here to advance any of our own interests. Therefore, I have made no announcement at any session at this conference in regard to our Monthly Bulletin. I do want to say, however, that the demand is far greater than we can supply. As a result, we have been obliged to charge for the printing in order to pay for the extra quality of the paper, for cuts and extra articles. The other day we received a formal communication from the German Emperor, who represents the head of perhaps the greatest business nation in the world, and he said he regarded it as the most interesting and instructive official publication in the world, and the other day I was very much gratified at the White House when the President told me that Mrs. Taft even preferred to read it to any of the American magazines, and had it on her desk all the time. I say that as a special tribute to the managing editor of the Bulletin, Mr. Franklin Adams, and his very efficient assistants, who do the large part of the work.

Is there any question before we go on to the next item on our program?

MR. SCOTT: With regard to automobiles and the field for them in Pan America, I understand that the French and the English makes are at the present time largely used there. With respect to the American car, would the high-grade pleasure car or cheaper car have the best field in Pan America? Mr. Santamarina spoke of the use of the automobile in connection with the transportation of coffee. I would like to know whether that was an experiment or whether large trucks were employed.

MR. SANTAMARINA: I have been closely studying your trade with our country. When we first opened our eyes down there to the fact that we would have to adopt the automobile for pleasure and for business, we certainly tried to get some of our machines from the United States of America. Now, you have been so busy yourselves that you have not been able to open the automobile trade in South America. We have made inquiries, but have invariably received the reply, "We are so busy that we cannot be bothered with export trade." Whatever has come down there in the infancy of our automobile trade have been cars that I would not be justified in speaking highly of. This is a mistake, because some of the American manufacturers should send their good cars down there. I guess today the American car for business purposes and other purposes would be the standard car in South America. You must realize, gentlemen, that we know how to use all the best goods. I know if I pay a few hundred dollars for a little runabout, I cannot expect the machine to last forever. We know that. You send us the right car and we will pay you the right price.

As regards the size of cars, I will say a small touring car has not become yet very popular with us, because people like to take out their families for a ride, and I am glad to say that our population is increasing very fast, and we wish to carry all the family with us.

In regard to the business car, it must be strong; we want something to carry weight. I have seen cars to carry 5000 kilos, which would make 10,000 pounds, cars of about five tons capacity; that is the average size of the business car we want down there. We are introducing our express service, which is very good, and which is an honor to us, something along the line of the American express companies.

MR. RAPOSO: I sanction everything that Mr. Santamarina has said for Argentina. You have sent us very cheap cars. You have not taken the trouble to send us the best cars. I think as a general thing the American automobile is to be preferred, because you can take from one car parts and put in another car, whereas the French car is made by hand, and therefore if a piece is broken it requires more time to mend it. You have that advantage over the European cars, but you have not taken hold of it. You have sent down there cars costing \$800 or \$750 or \$1000, whereas we buy cars costing \$5000 and \$10,000 mostly. We have elegant roads all through the country, and we have got in Argentina very large families. Therefore we want big cars, and we can use them. Also another thing, as to the American garage. We have a French garage, and an American machine going into a French garage needs very often to be repaired, probably more often than it does if it were in an American garage; and I understand that one of your American firms is going to build a garage in Argentina, in Buenos Aires and Rio. You should send men down there to drive your machines around, men who can spend time in showing the people. They should be men who can speak the language.

DIRECTOR GENERAL BARRETT: We will have to stop this discussion. If I allow this to go on, no matter how interesting, we could discuss right here all the rest of the day and would not be any further along.

Mr. Pepper, we are very grateful to you.

I am going to have special pleasure in introducing to you a man who perhaps ranks as one of the most foremost statisticians of the world, who has made a very careful study of our foreign trade as Chief of the Bureau of Statistics, and after he has spoken to us for ten minutes we will also ask him questions.

ADDRESS OF MR. O. P. AUSTIN, CHIEF OF BUREAU OF STATISTICS, DEPARTMENT OF COMMERCE AND LABOR

Mr. AUSTIN said:

Mr. Director General and Gentlemen of the Conference: I have two pleasant pieces of information for you this morning, surprises, perhaps. First, that the figures of our exports to South America alone have, for the first time, crossed the one-hundred-million-dollar line.

DIRECTOR GENERAL BARRETT: I want just to say this, before Mr. Austin goes any further, in connection with his most interesting talk, that if you notice discrepancies between the figures on these charts and maps and his figures and others that appear in the published matter, you must remember this: That these figures had to be made up according to the different reports of different years, and some of it is fiscal and some for the calendar year, and therefore you will understand that accounts for any difference that there may be, although for exactly the same time in each country. We have given it as accurately as we could, but in some cases we could not get the latest statistics, and they have also varied, as Mr. Austin knows, from the figures we have here.

MR. AUSTIN: That was something I was about to remark, that the figures I am supplying to you differ somewhat from those you have here, in some cases, because they are the figures of the other countries, in some cases, because they are for a different year.

As I said, the first bit of information I want to give you is that our exports have been so great that we have now, for the first time, got across the one-hundred-million-dollar line of exports to South America, and of that, probably 80 per cent. is manufactures. I am speaking now purely of South America. I am going to say something about Latin America as a whole directly, but these figures are the very latest we have.

The second piece of information is that I am not going to talk statistics, and going to be very, very brief and obey your pleasure in the matter of questions.

The points I want to make I have put into just as condensed form as I can, and am supplying you from these papers, which are being handed to you, statements showing the total imports and total exports of every Pan American country, and the share of the imports drawn from the United States and of the exports sent to the United States, these figures being in each case for the very latest available year, chiefly 1909, some of them 1908, and these, you will understand, are the official figures of the countries themselves.

Then you will find on another page a statement showing the value of the exports from the United States, Great Britain and Germany to all Pan America, each year for 20 years, which will give you an idea of the share which we have in supplying the commerce imports of those countries and the relative growth in that trade of the three rival nations.

Now, as to the points I want to make, first, that the very latest figures show that the imports and exports of Latin America aggregate, and I need not explain to you what I mean by Latin America, except that I want to say that I do not include in these figures Porto Rico, because we are now considering Porto Rico a customs district of the United States, and therefore in our figures of trade of foreign commerce we did not include Porto Rico, so that these figures include everything which you consider Pan America—Latin America, except possibly you might consider Porto Rico—but Porto Rico is not included in these figures.

The distinct points which I want to make in the few words that I shall say to you are as follows:

1. That the very latest figures show that the imports and exports of Latin America aggregate \$2,000,000,000 annually, almost equally divided between imports and exports; the imports a little less than \$1,000,000,000, the exports a little more than

\$1,000,000,000, the value of both imports and exports having practically doubled in the past 10 years.

2. That we now supply 24 per cent. of the imports of those countries as a whole, and take 31 per cent. of their exports. To the remainder of the world we supply about 14 per cent. of its imports and take about 7 per cent. of the exports.

3. That in those countries which are nearer to us than to Europe we supply a large share of the imports, while in those countries which are as near to Europe by steamship lines as to the United States the share which we supply of their imports is small.

4. That this fact gives us assurance that the opening of the Panama Canal will give us a much larger share of the trade of the western coast of Central and South America than we now have.

5. That our exports to Latin America have in recent years grown more rapidly than those to other parts of the world, and now form 14 per cent. of our total exports, against 9 per cent. 20 years ago.

6. That despite the large growth in our exports to Latin America, they are still equaled by those of Great Britain, and that Germany's percentage of growth in that trade is quite as great as our own.

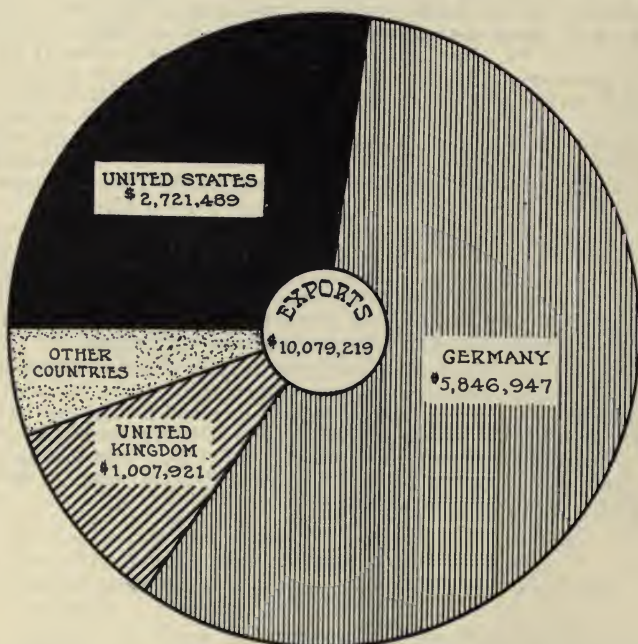
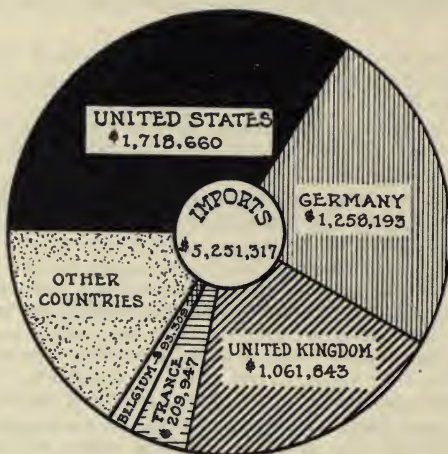
7. That if we are to further enlarge our share of the imports of the area under consideration we must adopt the methods which have given success to our rivals, namely, make the goods to suit local wants, supply them in the form which the trade demands, sell them on the accommodating terms which our rivals give, canvass the field just as you canvass your own field at home with men speaking the language of the countries which they canvass, and build up transportation systems by which the merchandise when ordered can be cheaply and promptly delivered to the purchaser.

These are the great facts which you must face if you expect to make the United States what it ought to be—the principal source of supply for the merchandise consumed in Latin America. We now supply to those countries which are nearer to us than to Europe—Mexico, Central America, the northern countries of South America, and the West Indies—from 30 to 60 per cent. of their imports; to those which are as near to Europe as to the United States, namely, Brazil, Uruguay, Paraguay, Argentina and the west coast of South America, from 10 to 20 per cent. This suggests that when we get a direct passageway to the west coast through the Panama Canal we may obtain about the same share of the imports of that section as we do in the case of other countries nearer to us than to Europe, say, from 30 to 60 per cent., but if we are to still further develop the trade in general we can only do it by the processes which have given success to our rivals—personal attention to details, making the goods to suit the markets, selling them in forms and upon terms to suit local custom, pushing with trained salesmen just as you do in the home market, and sending them by transportation methods which will place them in the hands of the purchaser in perfect condition and in the shortest possible time after his order is given.

I need not say more. The figures which I have supplied on sheets of sufficient number that each delegate may have copies for his own consideration show our share in the trade of each of the Latin American countries in the latest year available, the growth of our trade with that part of the world for a term of years, and a comparison of our own exports to all Latin America with those of our chief rivals—Great Britain and Germany—the figures in each case covering a 20-year period.

In case you desire statements showing the articles which we export to or import from any or all of these countries, you have but to write to the Bureau of Statistics of the Department of Commerce and Labor and they will be supplied free of charge and in a form covering the subject in great detail and for a term of years. The business of the Department of Commerce and Labor is to supply information to those desiring to extend their foreign trade, and it is doing this, but wants to do more of it. "If you don't see what you want, ask for it."

° GUATEMALA °
 - COMMERCE - 1909 -
 \$15,330,536



FOREIGN COMMERCE OF LATIN AMERICAN COUNTRIES AND SHARE THEREOF WITH THE UNITED STATES

Imports and exports of merchandise into and from specified American countries and share of the United States therein during the latest year* for which figures are available. From official reports of the respective countries.

(Prepared by Bureau of Statistics, Department of Commerce and Labor, February 15, 1911.)

Countries.	Imports.			Exports.		
	From all countries.	From the United States.	Per cent.	To all countries.	To the United States.	Per cent.
	Dollars.	Dollars.	from U. S.	Dollars.	Dollars.	to U. S.
Argentina.....	292,160,000	41,561,000	14.3	353,195,000	12,567,000	3.6
Bolivia.....	20,774,000	4,164,000	20.0	24,038,000	1384	—
Brazil ²	179,690,000	22,266,000	12.4	214,300,000	85,938,000	40.1
Chile ³	94,350,000	9,601,000	10.2	116,489,000	16,083,000	13.8
Colombia.....	13,514,000	3,090,000	27.4	14,989,000	6,897,000	46.0
Costa Rica.....	5,629,000	2,618,000	46.5	7,758,000	4,096,000	52.8
Cuba ⁴	98,240,000	49,956,000	50.9	115,637,000	99,973,000	86.5
Ecuador.....	10,003,000	1,994,000	19.9	12,925,000	3,768,000	29.2
Guatemala.....	5,812,000	1,719,000	29.6	6,756,000	1,777,000	26.3
Haiti.....	4,701,000	3,054,000	65.0	3,479,000	447,000	12.9
Honduras.....	2,754,000	1,828,000	66.4	1,859,000	1,613,000	86.8
Mexico ⁵	97,039,000	56,215,000	57.9	115,089,000	86,127,000	74.8
Nicaragua.....	3,000,000	1,297,000	43.2	4,500,000	1,034,000	22.0
Panama ⁶	7,807,000	4,460,000	57.1	1,827,000	1,654,000	91.5
Paraguay.....	3,930,000	55,000	1.4	3,732,000	16,000	.4
Peru.....	25,771,000	5,815,000	22.6	26,161,000	5,875,000	22.5
Salvador.....	4,241,000	1,287,000	30.3	5,896,000	1,964,000	33.1
Santo Domingo.....	4,905,000	2,605,000	53.1	9,595,000	5,223,000	54.4
Uruguay ⁷	34,619,000	3,135,000	9.1	37,281,000	2,107,000	5.7
Venezuela.....	10,186,000	2,876,000	28.2	14,627,000	5,194,000	35.5
Total.....	919,125,000	220,194,000	24.0	1,090,133,000	342,343,384	31.4

¹Imports into the United States from Bolivia.

²Specie not included.

³Figures are those of imports for consumption and domestic exports.

⁴Figures are those of general trade.

⁵Figures include bullion and specie. Imports through postoffices not included.

⁶Commerce of Canal Zone not included.

⁷Figures are those of special trade, including bullion, but not coin.

*1908 for exports except Paraguay, 1907; Haiti, 1907-8; Mexico and Cuba, 1908-9. 1908 for imports except Paraguay, 1907; Haiti, 1907-8; Mexico, Cuba, 1908-9; Argentina, Brazil, Chile and Peru, 1909.

EXPORTS FROM THE UNITED STATES, GREAT BRITAIN, AND GERMANY TO LATIN AMERICA, 1890 TO 1910

(Figures represent trade with Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Salvador, Santo Domingo, Uruguay and Venezuela.)

Year.	United States.	Great Britain.	Germany.
	Millions of dollars.		
1890.....	76.7	140.9	40.2
1891.....	74.7	114.2	35.8
1892.....	77.8	120.1	42.2
1893.....	88.5	113.4	45.6
1894.....	78.9	105.5	37.6
1895.....	74.4	127.1	51.7
1896.....	76.6	127.0	49.0
1897.....	78.3	101.9	42.0
1898.....	74.0	103.5	40.8
1899.....	88.3	115.2	47.1
1900.....	110.7	130.2	56.3
1901.....	118.8	116.0	49.5
1902.....	115.1	115.4	50.6
1903.....	115.1	133.1	62.8
1904.....	136.6	156.1	75.6
1905.....	159.2	176.7	92.6
1906.....	209.0	228.5	113.1
1907.....	230.0	251.5	130.3
1908.....	220.0	206.8	99.4
1909.....	201.9	220.1	108.2
1910.....	242.1	No data.	No data.

FOREIGN COMMERCE OF THE UNITED STATES AND SHARE THEREOF WITH LATIN AMERICA, 1890 TO 1910

Year ending June 30.	—Imports into the United States.—			—Exports from the United States.—		
	Total. Dollars.	From Latin America. Dollars.	Per cent. from Latin America.	Total. Dollars.	To Latin America. Dollars.	Per cent. to Latin America.
1890.....	789,310,409	178,623,328	22.63	857,828,684	76,704,113	8.94
1891.....	844,916,196	222,399,991	26.33	884,480,810	74,699,678	8.45
1892.....	827,402,462	272,483,220	32.93	1,030,278,148	77,819,562	8.55
1893.....	866,400,922	225,906,702	26.08	847,665,194	88,503,514	10.44
1894.....	654,994,622	218,362,321	33.34	892,140,572	78,924,298	8.85
1895.....	731,969,965	196,516,050	26.85	807,538,165	74,422,739	9.22
1896.....	779,724,674	180,022,806	23.09	882,606,938	76,611,305	8.68
1897.....	764,730,412	156,661,564	20.49	1,050,993,556	78,320,416	7.45
1898.....	616,049,654	136,854,235	22.21	1,231,482,230	74,030,291	6.01
1899.....	697,148,489	148,150,097	21.25	1,227,023,302	88,307,187	7.20
1900.....	849,941,184	167,180,295	19.67	1,394,483,082	110,674,490	7.94
1901.....	823,172,165	198,223,744	24.08	1,487,764,991	118,772,158	7.98
1902.....	903,320,948	208,510,497	23.08	1,381,719,401	115,132,413	8.33
1903.....	1,025,719,237	225,923,096	22.03	1,420,141,679	115,053,595	8.10
1904.....	991,087,371	256,227,244	25.85	1,460,827,271	136,615,381	9.35
1905.....	1,117,513,371	302,266,593	27.05	1,518,561,666	159,156,657	10.48
1906.....	1,226,562,446	294,049,326	23.97	1,743,864,500	209,043,359	11.99
1907.....	1,434,421,425	334,572,126	23.33	1,880,851,078	229,966,603	12.23
1908.....	1,194,341,792	273,176,971	22.87	1,860,773,346	219,968,513	11.82
1909.....	1,311,920,224	324,154,136	24.71	1,663,011,104	201,912,874	12.14
1910.....	1,556,947,430	392,955,257	25.24	1,744,984,720	242,123,502	13.87

DIRECTOR GENERAL BARRETT: Now, gentlemen, following that I want the questions kept directly to the subject of statistics.

MR. LINDSAY: Mr. Austin, a considerable proportion of our export trade is merged in foreign export. Have you any idea about what proportion?

MR. AUSTIN: I think I do not quite understand.

MR. LINDSAY: A considerable proportion of our goods go to England, for instance, and are shown as British exports, which are ultimately destined to Latin America or Germany.

MR. AUSTIN: I am not able to give a very definite figure on that. I made some efforts in London not very long ago, but found a disposition to keep that a secret, if possible, but the percentage, of course, would be small; the percentage forms of the total exports of Great Britain, which merchandise from the United States reshipped would be small, but it would amount to many millions of dollars, of course.

MR. LODER: I am interested in the manufacture of suspenders, the corporation of which I am identified, and I have endeavored through various sources to ascertain as to how many or the value of that manufactured merchandise exported into South American Republics from the outside, that is, German and English and French manufacture, and I have been unable to get it. I would like, if it is possible, to get that information.

MR. AUSTIN: I cannot answer that that way, for the reason that our own figures of exports do not cover that particular item, and I could not say definitely as to the other countries whether the statistics of the importing countries show that. The only way I could answer you definitely is, if you will write the Bureau of Statistics, or call while you are here, I will have our experts examine the official publications of the various countries and give you all the information I can.

MR. BARRETT: We are very grateful to you, Mr. Austin.

I am asked by our indefatigable Chief Clerk, Mr. Adams, to call your attention to the February issue of our Bulletin as an illustration of the kind of work that we are doing and to give you an idea of its contents.

Ladies and gentlemen, I am glad to say that we have with us this morning one of the members of our Governing Board, who has been so much in America that he is very familiar with our country, as well as with his own great country of Chile, which reaches 2600 or 2700 miles along the southern, temperate west coast of South America, and I am going to call upon Mr. Alberto Yoacham, the Charge d'Affaires of Chile, to say a few words about his country.

ADDRESS OF THE CHARGE D'AFFAIRES OF CHILE, MR. ALBERTO YOACHAM

Mr. YOACHAM said:

Gentlemen, it is very nice to be introduced this way by Mr. Barrett, but he always thinks that everybody possesses the same gifts that he has of speaking in public. You will therefore be greatly disappointed, because, first, I am not prepared, and secondly, I have not that gift. The Assistant Secretary of State said yesterday of diplomatic life that it is not so easy and so idle as many people think it is. Lately I have had a lot of work, and consequently I have not been able to follow so closely as I should like the sessions of this Conference, the importance of which demands the greatest attention.

The commercial intercourse between two nations must necessarily benefit both, and if we are convinced of this just and useful principle it is imperative that we should study the means to overcome the obstacles that bar the expansion of trade among our respective countries, the development of which trade has not, unfortunately, assumed the proportions that it should have. On the other hand, to strengthen the union of these countries, whose interests and ideals are identical, by means of a commerce mutual in all its branches, including banking, insurance and navigation, is undoubtedly an aim worthy of the purposes for which the Pan American Union was created, and worthy also of the zeal and activity of its indefatigable Director General, Mr. Barrett.

Mr. Root, in his masterly speech of Kansas City, pointed in 1906, with the preciseness and frankness that characterize him, to the impediments and obstacles hindering the importation of merchandise into the southern portion of the continent, and to the advantages which such trade would afford. Unhappily, during the four years that have elapsed his wise advice has not been followed in the proper manner, although our exports and needs increase considerably from year to year, just as the necessities and the production of this country increase. Therefore, the time for action has come. Through American banks established in South America you can reap the same enormous profits that similar European institutions are now enjoying, and you will at the same time contribute to the development of our industries, and through a greater merchant marine Pan American commerce will be promoted and considerably enlarged.

We can supply you with the raw materials that you need, and we need the articles manufactured by the American industries. Your fields and your industries need nitrate; our nitrate deposits need machinery; the products of our agriculture, our wines, our wool, our cereals, need more capital for their expansion, as do our mines; and certainly money is not lacking in the United States. It can also be assured that the returns for the investment of such money, while being as fully guaranteed as it is here, are perhaps twice greater.

I do not believe that I could add anything new to what has already been said here on the interesting subject that engages our attention, but I think that it would not be useless to remind you that a market cannot be taken by storm, and that our position as the only producers of certain necessary articles is far better than that of the exporter who has to contend against an old, clever and well-established propaganda and competition.

Banking houses are not only useful on account of their capital, but also absolutely necessary as sources of information; and, finally, without one's own means of transportation no commercial interchange can be extended and protected. Consequently, to these points, in my humble opinion, should be directed the efforts of those who, like myself, are anxious to see forever established in America a flourishing and prosperous American commerce.

DIRECTOR GENERAL BARRETT: I am sure we have enjoyed that very much. Mr. Yoacham wishes to be excused from answering any particular questions, and in the meantime we will ask Mr. Henry L. Janes of the Latin-American Division of the State Department, who has had a long experience in Chile, as well as in other parts of Latin-America, to give a few remarks, and then I would say we have here also the Chilean Consul, and he told me this morning that he did not wish to make any speech, but that he would be glad to answer any questions, as far as he could, or assist in answering any.

We have much pleasure now in listening to Mr. Janes.

ADDRESS OF MR. HENRY L. JANES, DIVISION OF LATIN-AMERICAN AFFAIRS, STATE DEPARTMENT

Mr. JANES said:

The invitation to say a few words to you today on the subject of the commercial relations of the Republic of Chile has given me genuine pleasure, which is no doubt to be ascribed in great part to the agreeable recollection of the years that it was my good fortune to serve in the American diplomatic service at the capital of this most interesting, sturdy country. I almost despair of being able to present to you anything beyond a few general facts in the effort to acquaint you in outline with the Chilean environment of trade and with the purpose of suggesting possible questions which an interest in this part of the world may indicate and which I will be happy to endeavor to answer.

I have been greatly impressed with the significance of a statement made to the Conference a few days ago to the effect that "trade follows the loan." The course of west coast commercial development lends confirmation to this statement, and I am encouraged to pursue the idea a step further and to add that trade follows the loan and the investment. On the west coast of South America both Englishmen and Germans have preceded us with the loan, the investment of capital and the early cultivation of that enormously extensive field which has hardly been broken by the plowshare of American enterprise. The South American Republics, occupying the narrow Andean region along the Pacific coast, constituting about one-sixth of the total area of the South American continent, with about 14,000,000 people, possess a foreign trade of over \$300,000,000, of which the United States has not more than a tenth portion. The English merchant now enjoys the numerous advantages accruing from his early arrival here, and the German in South America, as in other parts of the world, has shrewdly grasped the opportunities presented with the vigor and tenacity characteristic of the nation. And now, with the proximate completion of the Panama Canal, our competitors who have preceded us thither turn to the north and labor industriously to strengthen themselves behind the ramparts of trade, the loan and the investment to meet the inevitable incursion of American commercial undertakings. Everyone who has faith in the sterling intelligence and resourcefulness of our people, and who has seen the superior quality of the American article, cannot fear the ultimate result in the coming struggle; but it must not be forgotten that we must learn the lesson taught by the experience of those who have preceded us in this field, and devote ourselves to a careful, scientific study of the peculiar conditions in search of the means and ways that will enable us to fulfil the requirements that constitute success in an environment so different from that in which we live.

One of the first things that a traveler passing down the Pacific coast notes is the lack of harbor facilities. There are only one or two natural ports. The ship rides at anchor usually some distance from shore in the open roadstead. Enormous sums of money are yet to be expended to provide the facilities which modern commerce demands. Callao and Valparaiso are today the only west coast cities provided with wharves permitting the discharge of vessels under the most favorable conditions. In the other ports the cargo is unloaded at an anchorage many yards from the shore by lighters brought alongside. To one who has had some experience with the most unpacific Pacific Ocean the importance of this fact in its bearing upon the matter of packing, loss and incidental expense is at once apparent. But both Chile and Peru are keenly alive to the needs of the present situation, and making every effort to be prepared to handle the great increase in the volume of trade that will soon flow to their shores through the Panama Canal. At Valparaiso, San Antonio, Talcahuano, Corral, Mejillones and along the Peruvian coast plans of harbor improvements are being consummated and executed with this purpose in view.

Just a word upon a matter that has several times been brought up in the form of questions from delegates—the element of population and language. Some persons manifest considerable surprise when the term *Spanish* as applied so generally and loosely to South America is objected to as inapplicable. Of course, Brazil is composed of a population for the most part of Portuguese origin. On the west coast the Spanish language is universally spoken in all the civilized centers; but, although the ethnic origin of this part of the world is essentially Iberian, anyone who takes this fact without many qualifications exposes himself on the ground to a multitude of surprises. Thirty-four per cent. of the Chilean population is composed of a non-

Spanish, European stock which has been assimilated and welded into one homogeneous mass, possessed of the sturdy, enterprising qualities that distinguish that admirable race. The South American properly regards himself as possessing as many distinctive marks of nationality that distinguish him from the citizen of the mother country as does the American.

One who returns from South America is often asked in the most matter-of-fact tone: "Tell me something about revolutions you observed when stationed at your last post." During a residence of almost five years in the Southern Hemisphere I am then obliged to say I never have seen that spectre so decked out with the paraphernalia of melodramatic exaggeration by the facile pen of our well-informed press; nor, what appears to give cause for even greater astonishment, do I possess the cynicism of those who have acquired the pessimism of Hamlet while brooding over the so-called spirit of *mañana* because they have not been able to delve deeper than superficial appearances. For 80 years Chile has been living under a Constitution, the terms of which have been modified only by constitutional means, and during a period of 50 years she has known but one revolution, which, like our own Civil War, came to life in violent assertion of constitutional principles of which modern political science takes practical and serious account. Both Chile and Peru are making rapid advance in the most modern directions under their stable and enlightened forms of governmental administration.

Chilean foreign trade during the past year amounted to over \$200,000,000, which is only slightly less than Mexico's total commerce with foreign countries, and places Chile in third rank as to South American total trade figures. The United States sells only about 10 per cent. of the total amount purchased abroad by Chile, and buys about 14 per cent. of which Chile has to sell. Computing Chile's population at 3,500,000, each person sells to us, according to the last statistical reports available, \$4.60 worth of goods, and buys from us about \$2.75 of commodities. The figures of Chile's foreign trade show a favorable balance of more than \$23,000,000. Saltpeter takes about one-third of the total exportation and provides about 65 per cent. of Chile's total national income. The United Kingdom comes in for the largest share of Chilean trade, Germany following closely, greatly outdistancing the United States.

It will be of interest to you to note that Chile admits free of duty the important elements of industrial development—machinery, fuel, tools and materials. Her chief exports are nitrate, copper, hides, furs (*chinchilla*), wines, silver and iron. She also exports considerable quantities of grain, bran, peas, rye and middlings. Some American agricultural machinery is to be found in the Chilean market, and the trade in threshers, seeders, mowers and reapers, although greatly limited naturally by the reduced agricultural area in Chile, is good.

In common with other South American countries, Chile's manufacturing industry has not yet reached a point of development which makes it probable that the foreign trade in manufactured articles will be threatened for many years in the future. The Government has made strenuous efforts, and with some success, to establish branches of the manufacturing industry upon national soil, but the greatest difficulties encountered still remain the lack of capital and the reduced number of competent workmen available. In the meantime the market is there to be developed almost without restraint. Manufactures of brick, floor tile, cement, clothes, hats, shirts, collars, print goods, different kinds of iron work, leather, carriages and wagons, cigars and cigarettes, matches, etc., are doing a profitable business in the country. The raw material furnished by the country is fully adequate to supply all domestic needs. Industrial Chile has now fully recovered from the terrible results of the wild speculation of 1905-6 and the great earthquake of August, 1906, when the hand of death and destruction covered with worthless debris the rich central zone. This general improvement speaks eloquently for the recuperative powers of the Chilean. Good crops have come to help him, and the acreage of cultivated land has increased almost 1,500,000 acres in the past twelve months. The more general use of nitrate and other fertilizers and the introduction of improved machinery and up-to-date methods have borne splendid results on every hand. Chile exports about 5,000,000 bushels of wheat, produced at an acreage of 14 bushels per acre on approximately 2,500,000 acres. In the south of Chile there are abundant forests of excellent timber. Owing to the lack of facilities of transportation and the unquestionably speculative character of many of the companies organized to exploit the timber wealth of this region, which disappeared before the great crisis of a few years ago like the dry blade before the prairie fire, little has really been done to bring this wealth within reach of the great centers of population. But much is certainly to be done in the

future. It may surprise many to be told that Chile has more forests to its area than any country in the world.

I have always found the northern provinces of Chile, from the Peruvian frontier to the southern limits of the Antofagasta Province (which came to Chile as the fruit of her victories in the war of 1879 with Peru and Bolivia), to be the most interesting parts of the Republic. There lie the most extensive nitrate beds in the world. In all the great stretch of country from the Andes to the Pacific Ocean rain never falls. Not a blade of green is to be seen except in depressions where the saline waters have seeped through from the great cordillera, or along a few streams, like the river Loa, whose brackish waters flow between the bare hills and over the sandy plains furrowed by the rush of torrents of far-distant geologic ages.

The chief ports of the whole region are Iquique, with 40,000 inhabitants, the present center of the nitrate industry; Antofagasta, with almost 33,000 inhabitants; Talta, a port of about 11,000, from which copper and silver and nitrate of Cachina are shipped. These nitrate provinces have a population of about 300,000, distributed mostly in the larger cities of the coast, in the nitrate plants and in the mines of copper and silver in the interior. The entire population is dependent upon the nitrate industry, in which 50,000 men are employed, and belonging mostly to the rugged lower Chilean class, the so-called "Roto," with an admixture of Bolivian Indians and a considerable proportion of Peruvians. In 1909 over 84,000,000 hundredweight of nitrate were produced, and the industry is doing at present well with an improvement in the market quotations and the great increase in the world consumption of the product. The nitrate combination, which since the war of the Pacific has controlled the exportation of nitrate from Chile, and which was under the special protection of the Chilean Government for the purpose of controlling prices, came to an end about a year ago and has not since been renewed, and conditions have remained very satisfactory. Indications are to the effect that a good profit has been realized in spite of augmented production. About 40 per cent. of the total number of firms engaged in this business are English, followed closely by the Chileans with a quota of production almost equal to that of the British. Germany has lately entered the field with great strength, and now claims 11 per cent. of the total saltpeter here produced. American capital has within the last two or three years purchased some valuable properties, and it is hoped others may enter the field, as the opening is a good one. The use of nitrate for agricultural purposes in the world at large is being more thoroughly appreciated, and in the United States the importations have almost quadrupled in the last four years.

Certainly one of the great obstacles encountered in the past to the healthy development of trade with Chile has been the instability of the Chilean circulating medium. The Chilean merchant pays for the foreign commodity on a gold basis, but his customers buy the goods in the irredeemable paper currency. During the short time in which I was in Chile I saw the value of the paper currency fall from about 13½ pence to 8 pence when the crisis following the great earthquake and the effects of universal and unrestrained speculation had brought anarchy into the Chilean market. You will be interested to know that for some years the value of the Chilean peso has remained between the extremes of 10 and 11 pence, and that the future of the Chilean currency is a bright one, making for that stability, affording every encouragement to the proper normal improvement of commercial relations.

Chile has a parcels post convention with the United States, and the amount of business transacted under the terms of this agreement is steadily increasing, with the special advantages such an arrangement presents to the exporter. The customs regulations of Chile are ably administered and the officials are unusually obliging and accommodating toward shippers, but a shipment following the usual course requires the attention of a customs broker, and may be sometimes held up many weeks in the congestion of traffic in the warehouses at the port. The advantage of the parcels post lies in the fact that the consignment goes directly to the consignee without the intervention of the custom-house broker, and may be opened with a small charge of a few cents for the making out of papers and inspection on the basis of details furnished to the postmaster here covering the weight in kilos, value and kind of goods. The trade by the parcels post shows a steady and considerable increase. During 1909 merchandise to the value of about \$950,000 American currency entered Chile through this channel, of which the United States has not yet taken more than 10 per cent.

After these somewhat rambling remarks I would like to add a few words regarding trade representation along pioneer commercial lines. There are only a

few manufacturers' representatives active in Chile and several commission houses doing business on the basis of 2½ to 5 per cent. Undoubtedly the facilities for the extension of trade offered by the firms already established in the field are great, but the sphere for the development of trade through the medium of commercial travelers is one that should be carefully examined. Before sending a representative to Chile the most conservative and safest way undoubtedly is to go down to the country and look over the field of possible opportunity, and then, if the results of this investigation are favorable, to send a representative down to make a personal canvas.

Here something ought to be said regarding the qualities that look to the efficiency of the representative. The South American has susceptibilities which are as strong as our own, but sometimes manifest themselves in a rather unexpected way and along quite different lines from those we instinctively consult in the United States. Except in Valparaiso, English is little spoken in the trade centers of Chile, and no one should go to South America with the idea of covering the entire situation without possessing a knowledge of Spanish and without a clearly marked disposition to take serious account of differences of habit which are as rational and well founded to the South American mind as they appear unjustified and even absurd through the spectacles of American training.

MR. JAMES, continuing: I did not touch upon some of the most important points, but I would be very glad to answer any questions that I may be able to in regard to the Chilean situation that may be asked.

QUESTION: Since it is a well-known fact that next to the consumption of soap, the development of the printing trade is the surest indicator of progress and civilization of a country, I would like to know if you can give us some information in regard to the development of newspapers and the printing trade in Chile. I would like to get that opinion from you.

MR. JAMES: I can only say, in general, that the press, speaking of the daily publications, is in a very high state of development in Chile. For instance, the *El Mercurio* is published in Santiago, in Antofagasta, Valparaiso and also Iquique, and the circulation runs to a very high figure, indeed. There are many newspapers in Chile which have a large circulation. The publication of books in Chile, the general printing industry of books and pamphlets and advertising material of all kinds is also very highly developed, and American machinery is being quite extensively used there. The *Zig-Zag*, which belongs to Augustin Edwards, formerly Minister of Foreign Affairs, is equipped entirely with United States machinery, and I know that the *Mercurio* in Santiago is. And I believe that the plants in the other cities I mentioned are also equipped with American machinery for the most part, at least.

MR. LINDSAY: Mr. James, is it safe to say that the journalistic press of Latin America is quite on a par with our own all over the country.

MR. JAMES: Yes, indeed; in fact, I would say—though I probably should carefully guard this answer with exceptions—I believe that the press in South America is far more advanced in the way of supplying readable material to the public than that of the United States. The *Commercio* of Rio de Janeiro, the *Prensa* and other papers of Argentina, the *Mercurio* of Santiago and the *Commercio* of Lima are magnificent sheets. It is too bad we have not more sheets of that character in this country.

DIRECTOR GENERAL BARRETT: We are very grateful to you, Mr. James.

MR. C. R. DONALDSON, of the Bureau of Manufactures, it has been requested that you make a statement in answer to a question in regard to the Directory of Purchasers and Manufacturers abroad.

ADDRESS OF MR. C. R. DONALDSON, OF THE BUREAU OF MANUFACTURES, DEPARTMENT OF COMMERCE AND LABOR

MR. DONALDSON said:

So many inquiries have developed in the past few days in regard to the World Trade Directory that I have been requested to make a few statements in explanation of it. It had its foundation in a very small way. Consuls who were active in making reports on the openings for the sale of various goods would supplement their reports by lists of names of probable purchasers. Those were all filed in due course, and in a number of years we had a large collection. They were very much scattered, though, and as time went on the manufacturers of the country wanted large lists.

Well, from the files of the office we could only give them partial lists, and the only way that we could finally satisfy them all was to compile something of a general character for the whole world, and that is what we have been engaged in doing. So that when a man took up the trade, for instance, in Brazil, we would not only give him the importers of automobiles in Rio, Bahia and a few other places, but all Brazil. So that is the result.

Now, then, in regard to the Consular service I have a few remarks to make.

Some years ago I attended the production at the National Theater in this city of a comedy entitled the "Yankee Consul." The scene was laid in a South American country. Colonel Roosevelt was in a box, and heartily applauded Raymond Hitchcock's clever and amusing presentation of a somewhat typical consul of the day—cool, debonnair and in immaculate white flannels out for a good time. His evenings were spent in frivolity, the balance of the night "sub-rosa," and the daytime in sleeping off the effects of too many libations. He was revived the next afternoon by a hot soda and a pillow of ice for his weary head, to enable him to repeat the nightly performance. But he was a hero in rescuing benighted damsels. He might even have made a first-class commercial consul had our exporters been sufficiently interested to seek his aid. The play was received with laughter, not only in Washington, but throughout its tour of the United States. I heard no criticism of it at the time. Such a play could not be appropriately presented in American theaters today. You cannot run counter to the national love of fair play, and no audience in the United States would accept such a portrayal of the American consular service as now constituted under the merit system of entrance and promotion. The body politic does not fully realize the wonderful change and improvement that has taken place in our consular work and personnel, but it comprehends to some extent the businesslike methods and active commercial endeavors of our modern Yankee consul. Manufacturers and tradesmen, however, not only realize, but are enthusiastic over the energy displayed by consuls in helping to open up new markets. You have already listened this week to the typical American consuls of the present time. The exporter daily visits the Bureau of Manufactures and tells of the benefits he has received and the orders for merchandise that have been secured through the combined team work of the bureau and the consuls. The bureau is the clearing-house for information from every point on the globe which will benefit American manufacturing interests. There are mighty few would do business on industrial affairs that do not thereby receive some attention. I do not recall that we helped outfit Peary in his dash for the North Pole, but some enterprising consul in the Pacific—probably the representative at Punta Arenas, Chile, on the Straits of Magellan—called attention to the need of Lieutenant Shackleton for some handy ponies in his search for the South Pole. Requests come in for everything from a pin to a locomotive.

I wish to offer a word on how American business men may directly help to further improve the consular service. You can ask that consuls be sent to visit your chambers of commerce for better acquaintance, you can instruct your foreign travelers to visit every consulate in their itinerary, and you can ascertain in Washington how poorly the offices of consulates are equipped in a clerical way, and give your moral support for remedying this defect. For instance, our consulate general at Rio de Janeiro has struggled along for years with only one clerk, who is also assistant consul general, acting vice consul general, etc., etc.; another clerk is about to be added. The total cost of both to be \$3500 a year. The German consulate at Rio has a staff of 12 to 15 men, for which is expended \$39,000 a year, the main object being to promote German trade in Brazil. You know, too, how persistent and thorough are the Teutons, and you will readily perceive with such an equipment why the sale of German goods now surpasses the sale of American goods in Brazil, notwithstanding the preferential tariff accorded there to certain of our productions alone. Speaking further about the equipment of our consulate at Rio, those who have been at Rio, those who have been in the Brazilian capital, know about the high cost of living, and not the cost of high living, as with us. Hence an American consular clerk going down there a few years ago at \$1200 a year found that his salary would just pay for board and lodging. In such cases a clerk must depend on the charity of the old folks at home. Now, it is to be hoped that in an economic sense we are one big American family, and that we are all "the old folks at home," and can in one way or another sustain our boys out on the firing line of commercial endeavor.

Furthermore, you are also aware that consular agents of the United States are located in various cities where we have no regular consulates. These consular agents are still paid in fees for the invoices they sign, and their income ranges from \$2 to

\$1000 a year. They are sometimes of American nationality, but more often not. I think that you will agree with me that they, as well as our consular clerks, should all be American to the core. But with a billion-dollar national expense already it is apparent that additional appropriations for these consular agents and clerks must come very slowly. Now, the manufacturers of the country are benefiting by this great work, and often express it financially. This is impossible in most avenues, but here is your opportunity. Make up funds in your chambers of commerce and industrial associations to help sustain the American consular agents in South American as a beginning. They are permitted to engage in business, and that business could be solely confined to commercial work for American wares. You could also subsidize young men who would enter various business houses from the Rio Grande to the Rio de la Plata. It would pay handsomely. To inaugurate the movement it is suggested that each chamber of commerce secure one or two bright fellows and seek the co-operation of the Government in Washington in placing them where they may acquire a knowledge of business and economic affairs in the republics to the south of us. Our young men need that association with the peoples of those countries, not merely for commercial reasons. They need to absorb the courtesy, the suavity and the cordiality of Latin Americans. In our continuous climbing on to higher planes of civilization polished manners and a broad hospitality of mind and soul are important. We want to enlarge our South American markets, but still more should we get more closely acquainted with the citizens there, with the beauty of their language, its poetry and history, its ideals and imagery, and with the advanced thought as viewed there. All this should result in our mutual benefit.

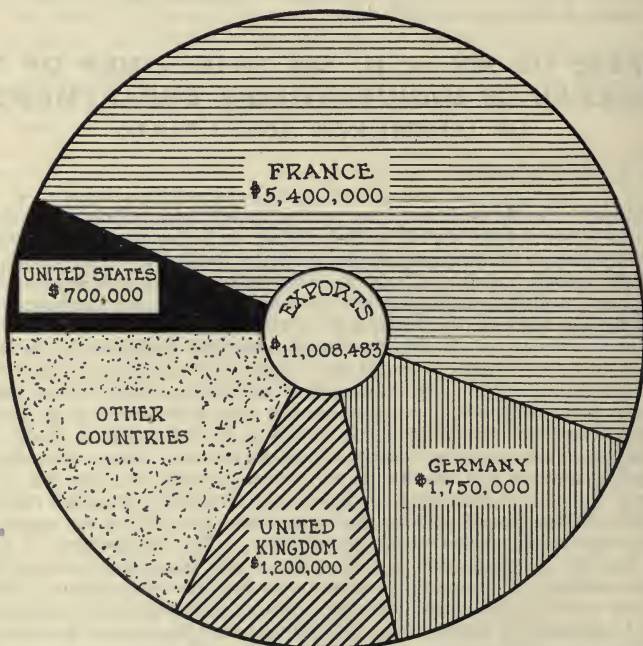
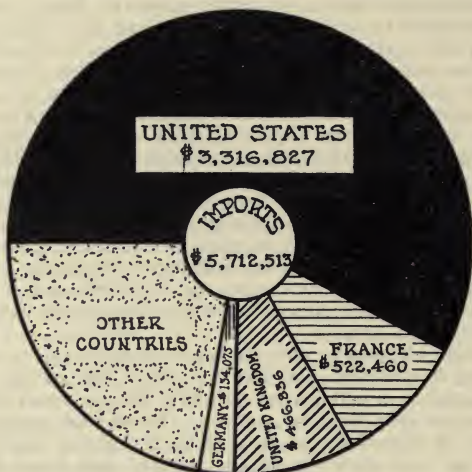
DIRECTOR GENERAL BARRETT: Are there any questions to be asked of Mr. Donaldson? I am going to say that Mr. Baldwin, the Chief of the Bureau of Manufactures, will speak, and then perhaps we will have the questions follow that, because they are both connected with the same section. This should appeal especially to you, because the Bureau of Manufactures is making herculean efforts now to get into closer touch with the manufacturers of the country and bring the consuls of the United States into closer touch with them through the bureau. It is entitled to the hearty support of our business men. This International Union is constantly aware of the splendid work it is doing, and if, as a result of Mr. Baldwin's remarks, you have some question suggested as to how you can get into closer touch with the bureau or with the consuls, I want you to ask him.

ADDRESS OF MR. A. H. BALDWIN, CHIEF OF THE BUREAU OF MANUFACTURES, DEPARTMENT OF COMMERCE AND LABOR

Mr. BALDWIN said:

Gentlemen, I really feel that I am sailing under false colors in speaking at this Conference, as I am not an expert in this matter of Latin American trade, and you have had the privilege of listening all the week to those who really know about the question. I do know, however, about my own office, and it has seemed to me that perhaps the most useful contribution that I could make to this meeting would be to describe briefly the work of the Bureau of Manufactures in its relation to this great question of the expansion of trade with Latin American countries. I have been surprised many times to find that business men in the United States are still unfamiliar with our work and with the work of other bureaus of the United States Government. The American manufacturer or exporter cannot afford to overlook or ignore any of the various activities of the Federal Government in the work of trade promotion. This International Pan American Union, the Department of State, through its various bureaus, the Department of Commerce and Labor, through the Bureaus of Statistics, Manufactures, Labor and Standards, and to some extent the branches of the Department of Agriculture, are all collaborators in this field and aiding to secure the same result—the commercial prosperity of our country. The Department of Agriculture has shown the way to transform its expenditures for investigation, experiment and publicity into millions of increased production and value on the farm. Much of the success of that work is due to the intimate relations which exist between that department and the agricultural associations, experiment stations, farmers' unions, granges, etc. The Department of Commerce and Labor, established in 1903, has entered a similar field with its various bureaus, and similar co-operation must be established

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between the latter department and the commercial and industrial interests of the country before its efforts can have their full successful effect. The Bureau of Manufactures was established in 1905 for the purpose, as stated in the organic law, of fostering, promoting and developing the various manufacturing industries of the United States, to aid in securing markets for the same at home and abroad, by gathering and publishing useful information and by any other methods which Congress might direct or the Secretary of Commerce and Labor might deem advisable. We hope later to extend our work to other fields, such as the distribution of samples, etc., but thus far the resources of the bureau have been devoted almost entirely to gathering and publishing useful trade information, and I shall indicate the various forms of publicity which are at our command and the sources of the material which we distribute.

First of all, the Bureau of Manufactures is the publication office for the daily paper which is written almost entirely by American consuls, who, as you know, are very alert advance agents for American trade. Our office edits and publishes the Daily Consular and Trade Reports, and there is ample testimony to the great value of this little journal. Most of you are no doubt familiar with it, and those who are not should make an effort to secure a place on our mailing list. The present edition is nearly 15,000, and the law limits the number that may be printed to 20,000 copies, although we shall ask Congress to extend this limit as soon as it is reached. The Daily Consular and Trade Reports print the numerous "Trade Opportunities" in foreign countries which consuls report, and millions of increased trade have resulted from these trade opportunity notices. We have on file letters from hundreds of firms stating that these "trade opportunity" notices from consuls have brought orders for their goods from all parts of the world.

The bureau also publishes the annual report known as "Commercial Relations of the United States." This volume contains the annual reports of consular officers, and constitutes practically a commercial history of the entire world as seen through the eyes of our consuls. Its distribution has been somewhat limited, but it contains a very valuable record of the commercial progress of each country.

Still another valuable form of publicity which is under our charge is the publication of bulletins and pamphlets on trade conditions in foreign countries with respect to special products or individual countries. These bulletins are compiled from the reports of consular officers or contain the results of the investigations of our own commercial agents. You have had the opportunity to listen to four of these commercial agents, Mr. W. A. Graham Clark, who has rendered the most valuable reports in regard to trade conditions with respect to cotton textiles in the Latin American countries; Mr. Arthur B. Butman, who has reported in regard to the boot and shoe trade in the same part of the world; Mr. Mack H. Davis, who reported on markets for flour in European countries and the Levant, and Mr. Charles M. Pepper, who reported on general trade conditions practically all over the world. The titles of these bulletins will indicate the wide range of subjects covered, such as Packing for Export, Winning Foreign Markets, Flour Trade in South America, Trade in Cottonseed-Oil Products in various parts of Europe, Lace Making, Cotton Textiles in South America, Trade Conditions in Ecuador, Machine-Tool Trade, Industrial Conditions in Europe, Municipal Art Commissions and Street Lighting, Municipal Markets and Slaughterhouses, Coal Trade in Latin America, and Agricultural Machinery in Foreign Countries. These pamphlets, to which we are constantly adding, constitute a very valuable commercial library for any firm interested in export trade.

The bureau is also charged by Congress with the duty of translating and publishing the tariffs of foreign countries. This work is under the charge of our tariff expert, Dr. Frank R. Rutter. In addition to publishing foreign tariffs by countries, the bureau is endeavoring to compile the tariffs of the world by products, and as facilities are provided it is hoped to issue bulletins; for example, the tariffs on machinery of various classes, tariffs on cotton goods or other similar products.

Additional publicity is secured for trade information through the issuance of confidential bulletins and circulars where the information secured by the bureau partakes to some extent of a confidential character.

The office is endeavoring to establish as complete mailing lists as possible of exporters in this country, classified by products, in order that this useful information may be transmitted direct to the firms most concerned, or in order that information about machinery shall reach manufacturers of machinery and information about textiles be sent to textile manufacturers and exporters only.

Still another publication which should be of the greatest interest to the dele-

gates of this Conference is the forthcoming World Trade Directory, which is now in press in the Government Printing Office. This Directory has been compiled through the assistance of consular officers, and contains the names of more than 125,000 prospective or possible purchasers of American products in foreign countries. The portion of this Directory devoted to Central and South America is very complete, and the book should constitute a very important adjunct to the facilities of any firm interested in trade with the countries south of the United States: Congress has fixed a price of \$5 per volume for this book, and nearly 3000 firms have already indicated their intention to purchase it. It is the plan of the bureau to maintain this Directory, if possible, by revisions from time to time, and it is believed that as issued it contains a larger number of what might be called live names than have ever heretofore been placed at the service of American exporters.

It will be seen from these various activities of the bureau that its service is of importance to the members of this Conference. We are striving to extend and develop the work of the office to keep pace with the growing interest in foreign trade, and I wish to express my strong interest, personal and official, in the objects of this Conference. With every other branch of the United States Government, the Bureau of Manufactures is eager to contribute and perform worthily its share in the development of this great work of trade expansion.

DIRECTOR GENERAL BARRETT: Mr. Baldwin's remarks have been very interesting. I know among these representative business men that there are certain questions they would like to ask about how to get in closer touch with the Bureau of Manufactures or with the consuls through them.

QUESTION: May I ask if there is any possibility in the near future of there being anything gotten out in the way of an official translation of the customs tariffs of the world, published by the Government, because all we have now are private compilations, and they are not entirely trustworthy. In fact, I only know of one, and it is not trustworthy. It would be of more assistance to have it all in a large volume published annually.

MR. BALDWIN: I would be very glad to do that if we had the money. We recently published the French tariffs, and we are working now on the tariff of Cuba. Today if we had the means of publishing the tariffs of the entire world in one volume we would be glad to do it. Mr. Barrett's office covers the South American countries in that line.

DIRECTOR GENERAL BARRETT: I want Mr. Wells at the conclusion of this to explain just what we are doing on the tariff matter in just a word.

MR. WELLS: We are going to, as far as we can, bring out the tariffs of Latin America currently—I say, as far as we are able to do so. A great many of the tariffs of Latin America are only understandable to the tariff experts, and not understandable to the ordinary manufacturer or exporter: for instance, the tariff of Argentina—no man could pick that up and read it as a book and make head or tail out of it. Perhaps some gentlemen here have tried to do that very thing. We are publishing now the tariff of Argentina. Now, that is a tariff law, not the appraisement schedule, but the tariff, and it is explained by means of statistical reports through an index, an attempt to lead you up to the actual classification in the statistical reports of the imports of the country. In all cases of the tariffs very often manufacturers find this point confusing; that tariffs are not compiled on the same basis that you undertake to establish trade. Tariffs are made for revenue or protection; they are governmental laws, while you are looking at the end from the purely commercial standpoint. The statistics which grow out of the tariffs, in the classification or the real basis of all statistical information, are not upon the same lines that you manufacture your goods. You find things classed together very often that you, in business, do not class together; but it is necessary to do that, because the statistical information follows from the tariff.

We are trying, so far as possible, in these tariffs to explain these things so they can be understood, so you can know what the tariffs are. The tariffs of many countries differ. They are founded on a very different basis in many cases. The rates of duty are very different, and the other day someone asked the question here as to what the packing was. You cannot answer that. As a general proposition there is allowance for cases in Latin America. The consul at La Guaira (Mr. Manning) says there is no allowance for Venezuela, and that is true; everything goes in by weight; everything in Honduras goes in by the half kilo classification. Each is different—the tariff of France, Belgium and the United States, and you have got to look at it from that standpoint.

DIRECTOR GENERAL BARRETT: Dr. Frank R. Rutter, of the Bureau of Manufac-

tures, is here, and while on the program for tomorrow, possibly he might supplement that with a few words.

DR. RUTTER: I do not think I care this morning to add any remarks to what Mr. Wells has said, except to emphasize the point he has made. The tariffs are prepared in different ways and are difficult to understand as to requirements except by the closest study to ascertain what the meaning is. I hope to cover this point a little more fully in my remarks tomorrow.

The inquiry was made by the gentleman on the floor whether the Bureau of Manufactures plans to get out a general edition of the customs tariffs of the whole world. So far as we can judge by the letters that come in to us, such a compilation would not be of very great assistance. If this conclusion is a faulty one, I should be glad to have correspondence come into the bureau and point out our mistake, but so far as we can judge by the correspondence that we are receiving, a business man is interested only in one line, a second in another and one in a third, and compilations that will take up this phase of specific fields and cover them for different countries will, it seems to us, be of more general service than any complete compilations of the tariffs of the individual countries; and at the same time we are as rapidly as possible looking up those countries with which our trade is most important. We have published the tariffs of Germany, France, Great Britain, Italy and Mexico, among the South American countries. We have the Cuban tariff now in press, and we expect to continue this line; but we wish to emphasize more particularly the publications of group tariffs not according to countries, but according to requirements.

DIRECTOR GENERAL BARRETT: That is very good. Just before we pass on, is there any direct question, without elaborating debate? Mr. Wells is here and Mr. Rutter, and they may be asked any question.

QUESTION: I should like to ask the gentlemen to what extent the United States is treated as the most favored nation in the tariffs of the Latin American Republics?

DR. RUTTER: The imports from the United States are admitted into most of the countries of Latin America at rates as low as those applied to imports from any other country. With Brazil the United States enjoys a preferential tariff; in Nicaragua, Haiti, and I think Salvador, there are a few articles which are admitted at lower rates from some other countries, notably, if I am not mistaken, for I have not looked up that recently, Germany and France. Those three countries import from the United States, but only a small group of articles, and by special treaty, owing to the interpretation of those countries on the most favored nation laws, that they are not considered applicable to the imports from the United States.

MR. KRAUSZ: I understand that the Bureau of Manufactures is prepared to furnish lists of South American importers and merchants that would like to get in touch with American manufacturers. Are those lists specialized on anything? For example, if I am engaged in the business of machinery, and I ask for a list, will I get the lists on insect powder or drugs, or can a list be furnished me that will give me the information as to the special line in which I am interested?

MR. BALDWIN: That trade list directory is classified by industries. If you write to the bureau—we cannot give it extensively—but if you tell us what you want we can turn it over to copyists if you pay for it, and you can get a special list in that way.

DIRECTOR GENERAL BARRETT: Mr. Root will be here tomorrow, and tonight we are to have a very interesting lecture by Miss Annie S. Peck, the celebrated mountain climber, with a wonderful number of pictures taken in Bolivia and Peru.

I want to say, before I call on the gentleman who is to speak next, simply because he has been so busy assisting me that you have seen me all the time. I want to say that I have a staff of most efficient, responsible men assisting me and working very hard, all about down stairs and elsewhere. They would make a much better sight, many of them, and a much better appearance than I, but as the executive of the institution I preside, although many of them are competent to do it. I want to say that they have been of inestimable service to me during the entire time I have been at the head of the Union, and especially the assistant director, Mr. Francisco J. Yánes, a Latin American himself, a Venezuelan by birth, who has served efficiently in the diplomatic and consular service of Venezuela, who was the representative of this institution at the Pan American Conference in Buenos Aires, and who has made an intimate and careful study of Latin America, and knows Latin America from the Latin American standpoint thoroughly. I have profound pleasure in presenting to you Mr. Francisco J. Yánes, the assistant director.

ADDRESS OF MR FRANCISCO J. YÁNES, THE ASSISTANT DIRECTOR OF THE PAN AMERICAN UNION

Mr. YÁNES said:

Gentlemen: You have come here in response to the earnest and honest appeal of the Director General of the Pan American Union, to exchange views regarding the methods to be adopted in fostering the commercial interests of our countries, north, central, and south, not only for the purpose of sending to our neighboring republics the products of your industry and manufacture, but also with the object of importing from them a larger amount of raw products, of investing in their mines and agricultural enterprises American capital, thus establishing stronger bonds of common interest.

In view of the near completion of the Panama Canal, this is a matter of the greatest importance to all. The Canal will open a gate heretofore closed to direct traffic between the western shores of South and Central America, on the one hand, and the eastern and southern ports of the United States on the other. On the day when the waters of the Pacific shall rush into the new bed carved in the rock by human ingenuity and American enterprise, a new commercial and industrial era will dawn upon this hemisphere. The benefits to be obtained from these new conditions belong to the man who will not hesitate to take steps for securing in advance a foothold in the prospective trade; the man who will not hesitate to become a live factor in the coming economic problems of our America.

But you cannot go blindfolded into this new field, lest your efforts miscarry for want of proper acquaintance with conditions in Latin America. It has occurred to me that, while you have come here to listen to the enlightening discussion by experts of the practical means of establishing a mutually profitable trade, it would not be amiss to call your attention at the same time to the main characteristics of the countries and peoples with whom you are invited to trade, to meet as fellow-guests under the auspices of the Pan American Union.

Being a Latin American myself, I will introduce you to my people, in so far as I can, so that those among you who are not acquainted with us may have a general idea of our customs and habits, likes and dislikes, and intellectual and material development.

As the time at my disposal is limited, I will only endeavor to give you a brief synopsis of Latin American characteristics, sufficient, I believe, to point out the temperamental difference to be reconciled in order to secure that degree of knowledge necessary to lay the foundation of closer ties of friendship and business relations based upon a better mutual understanding.

Of the 20 Latin American countries, Spanish is the language of 18; Portuguese of 1, Brazil, and French of 1, Haiti. This means at the outset that the controlling influence that must needs characterize each country is primarily that handed down to it by its ancestors. It signifies that in the main our tastes, likes and dislikes are not the same as those of the North Americans, scions of the races of Northern Europe. Our education is based upon systems applicable to our needs and in keeping with our ideals; our legal and moral standards are measured according to a different conception of right and wrong; our religious beliefs are those of our forefathers; our literary tastes have been formed through our intellectual intercourse with France; our music is languid and dreamy, like that of the Latin peoples; our nature is polite and hospitable, generous and improvident. Our mentality is highly developed, and our mind is restless, both by heredity and by reason of our surroundings, because life is easy and time almost an unknown factor, since there is no strenuous competition to spur our ambition, no severe change of seasons to compel us to crowd into a few months a work that can be done day by day. In this almost enforced idleness we may find the cause of many a political disturbance of the past. Lack of population, excess of natural wealth, absence of real want, have been hitherto enemies to the material progress of many of our countries.

This is, as you well understand, too broad a generalization of the characteristics of my Latin American brothers, a hasty picture drawn simply to show you the superficial differences that you will find in dealing with them. You must bear in mind that this has not been said with the idea of casting any reflection on Latin Americans, for you will find that we are pre-eminently fit for the highest exigencies of progress and civilization, a people adaptable to all conditions of life, eager to accept and welcome the best, ready to discard old systems and use modern methods in their stead, anxious

to prosper and keep pace with the most advanced strides of civilization. But, conscious of our own intelligence and masters of our own means, we resent imposition, we resent being looked upon as an inferior people, or as an easy prey to scheming adventurers or ignorant and supercilious travelers.

Those who have been most successful in establishing a profitable trade with Latin America are those who have created our needs, catered to our tastes and endeavored by all means to adapt their goods to our wants or caprice, and not tried to force us to buy what we do not desire. These are facts that must be borne in mind by those desiring to establish commercial relations in Latin America, in order to obtain the confidence, respect and good-will of our southern friends, and through this win the Latin American markets.

For the sake of brevity I will condense into a few rules what experience in the service of the Pan American Union has taught me to be good advice to those intending to do business in Latin America, but having too vague an idea of what this term means and what are the requisites necessary for becoming acquainted with and being welcomed by our people.

The term "Latin America" includes twenty independent countries, the aggregate area of which measures about 8,700,000 square miles, or an area two and one-third times larger than that of the United States, not counting Alaska and the insular possessions.

The unexploited natural wealth of the Latin American countries is immense, and only needs foreign capital and energy to develop it. It may be said, therefore, in general terms, that all kinds of opportunities are open in Latin America to the right man.

While there is a general similarity of origin and of customs in this vast territory, geographical position, geological conditions, climate and other physical and racial factors are all important in the individual development of these republics. What may apply to a particular country does not necessarily apply to another.

Language is also a factor not to be overlooked. As already said, Spanish, Portuguese and French are the languages of Latin America. It would seem, then, in the case of a traveling agent, that one of the first requisites is a fair knowledge of the speech of the particular country he desires to visit, as this is indispensable to get in direct touch with the people, in order to study their wants and to understand their necessities. In the case of the merchant who desires to reach those markets by means of catalogues, the greatest care should be exercised in selecting translators, to prevent loss through faulty translations.

Those desirous of establishing a successful business in Latin America must be readily adaptable to the new environment and different conditions, and willing to make friends with the people by their fair and uniform treatment of all.

Whenever possible, I would advise the establishing of an agency in the country under a competent man, who knows the people and the language, and is tactful and considerate of others.

Business methods, social customs and religious beliefs or practice should always be respected. If an effort is made to introduce new ideas, this should be done in a way not calculated to give offense to anyone, but, on the contrary, to enlist support in favor of the innovation.

Questionable claims or concessions, or any transactions whatever which may lead to misunderstandings with the local authorities, should be carefully avoided, as well as taking an active interest in local politics, or any other act which may entail the forfeiture of the rights granted to aliens by the laws of those countries.

The fact must not be overlooked that while Latin American legislation grants to American citizens the same civil rights that natives enjoy, they are foreigners, and as such amenable to the alien laws of the country where they reside, and that a foreigner's undue meddling in local affairs is as much resented in Latin America as it is in any other country.

These are a few "hints" which I hope will serve those desirous of entering the field of Pan American commerce. Gentlemen, I thank you for your attention.

Thereupon at 12.25 o'clock P. M. the Conference took a recess until 2 o'clock

THURSDAY AFTERNOON

The Conference was called to order at 2.30 o'clock P. M. by the Director General.

DIRECTOR GENERAL BARRETT: I am going to ask Mr. Trazivuk, of the Ward Steamship Line, to give us about five minutes of direct suggestions on packing, and then some persons can ask questions on that subject.

Mr. Trazivuk has come over from New York especially to talk to the Pan American Conference.

MR. MARCOS J. TRAZIVUK, of the Ward Steamship Line, New York: I beg to call your attention to an article in *Leslie's Weekly*, published February 9th, and here is what I have to say in reference to shipping and packing:

ADDRESS OF MR. MARCOS J. TRAZIVUK, OF THE WARD STEAMSHIP LINE

WHY OUR MERCHANTS FAIL IN SOUTH AMERICAN TRADE

Now and then we can hear how successfully we are increasing our exports to South America. It is true our exports are increasing every year. However, our increases are not nearly as large as those of England and Germany. Unless we change our tactics, no matter what we do, we will be behind the European countries for an indefinite time. During the nine months ending with September last imports to Argentine were as follows:

From the United States.....	\$34,267,019
From England.....	82,799,593
From Germany.....	45,408,846

From these figures it can readily be seen that our country ranks third in exports to the Argentine. We, of course, cannot expect to outdo in the near future the leading European countries, because we are now competing with the leading products of Argentine in the markets of Europe. However, we can do a great deal more, provided our manufacturers are willing to adopt different methods from those practiced in our country. I have come in contact with the Latin American people for several years. I know they are accustomed to different business transactions. As a rule, they are never in a hurry to do business, as is the case with us in our desire to place propositions in foreign markets. They are excellent people, very polite, good friends and steady customers. Prior to placing a business proposition before a South American, in order to obtain success, we must first meet him socially. Then it is indispensable for us to make a careful study of these countries before entering into business relations with them. We ought to place ourselves in a position to compete successfully with similar European firms which have been supplying the Latin American countries for a long time. Study the freight rates, tariffs and ways of making more advantageous offerings, since, under the same conditions, no South American firm will abandon its old acquaintances after many years of business dealings. Our manufacturers do not look down in this direction. I know of several concerns which have attempted to introduce their products in these countries, but have failed because they did not take the right steps. Nevertheless, our manufacturers will sit in their office and dictate, probably, a five-page letter to their stenographer, to some firm in South America, telling of the immense business they want to put before it and of the fortune which they can make in a short time, provided they are willing to buy their goods. Instead of going down themselves to look over the field, they will go to Europe for a good time, while their traveling salesmen will venture through Argentine and Brazil, as a rule, unable to speak the Spanish language. Alas! if they do not make good, they are likely to be discharged by cable across the equator.

In particular, Argentine affords a great market for American products, provided the business is properly handled. In Argentine the success of business depends upon the linseed, corn and wheat crops, which are the principal resources of the country; also on live-stock, which is another important branch. Yet difficulties are experienced for the reason that in some parts of Argentine it seldom rains sufficiently at the proper time to irrigate the crops. Outside of this disadvantage, Argentine can be considered as the most promising market for business in the world.

We also know that the American capital invested in South America is insignificant, and that the principal foreign capital is English. Naturally, this is another disadvantage to our industries. Germany and France are following the custom of England, and they are also introducing large amounts of capital, which helps them

to support their industries and to tighten commercial intercourse. In the event that the United States wish to enlarge commercial intercourse and to occupy a more advantageous position in the markets of South America, it means that we need to invest our capital the same as England invested hers several years before succeeding commercially in those countries.

From what I have seen and heard I am inclined to believe that the Latin American people do not sympathize with us on account of our selfishness, and regard as true "we Americans are certainly great people as self-lovers and the only considered race on the American continent." How many times many of us have heard the sarcastic expression, "Oh, well, I'm an American," etc., and when we say so we think we are masters of the world and that nobody can dispute our supremacy. Now, this is a strong factor which keeps the Latin American people from transacting business with us. Some American people had a vague impression of Latin America. I was in Cuba right after the Spanish-American War. I remember when American interests there were not nearly as large as they are today. Right after the American occupation our people took more interest in Cuban affairs, and before long several important American companies were founded in Cuba. Speaking in general, we had our doubts as to the progress being made by the Cubans under the Spanish regime, and I recall a party of American settlers who were coming to Cuba in the belief that they were to find a tribelike people, but instead they found, much to their surprise, just as much social progress and civilization as in our own country, and this erroneous belief was entertained in regard to a people living in close proximity to our own country.

The American industries are increasing beyond belief, and within a short time we will be obliged to consider more carefully the South American trade. Today we are not very anxious because we can put up a good argument: As long as we can make a fortune in the United States, what is the use of wasting our time in foreign countries?

As a conclusion to this article, which I devote to our manufacturers, I wish to state that the time will come when we will be obliged to forget our melody, "Home, Sweet Home," and open our doors to the Latin American people, who are admiring our progress with indifference on account of our negligence.

DIRECTOR GENERAL BARRETT: Will someone please ask some direct questions?

MR. HUMPHREY: When you ship bottles and extracts to South America, do they have to be packed in tin or wood boxes?

MR. TRAZIVUK: Do you mean empty bottles?

MR. HUMPHREY: Anything full, holding about four or eight ounces.

MR. TRAZIVUK: In wooden boxes, that is safe. Gentlemen, I will tell you the best packers in the United States, to my personal knowledge, are the typewriter manufacturers and certain companies who produce electrical material; but glassware, dry goods and shoe merchants, speaking generally, are very poor packers; that is, from what I have seen on board ship.

MR. WICKWIRE: I would like to know if it is all right to pack porcelain in barrels. I do not mean the most fragile porcelain, but insulators.

MR. TRAZIVUK: Yes, barrels are all right. That is the best way. I have noticed on board ship glassware or empty bottles packed in cases, and I suggested they should be packed in barrels or hogsheads.

MR. GORHAM: On the west coast of South America, particularly, one encounters a very serious difficulty. The average way goods are marked destined for the west coast is to write or stencil in small letters the full address of the New York merchant, his name, his street in New York city, and, last of all, the railroads which the goods will pass over on their journey; and then one will write under that in color, "Glass—this side up," and then in letters of the same size the name of the point of destination, then net and gross weight, and the general aspect of such a package so marked is a conglomeration of writing. One should write the point of destination as large as possible. The people who mark cases should go into the hold of a steamship and look across that hold in its darkness and try to distinguish the name of such a port as "Antofagasta" with the lettering as small as it usually is. The great complaint of the Chilean and Peruvian merchants is that the marking is so indistinct that the steamship companies will miss the point of destination and go trailing a thousand miles up the coast. I, myself, have had great difficulty, and have missed orders through those things. Almost all American goods bear a conglomeration of marking which has nothing to do with the necessary shipping directions. I, myself, have taken great care to see that the cases shipped from my factory are

marked in such a way that there can be no possible mistake; that the name and address, "New York," is put upon a pasteboard in one corner of the case, and we do not care if it does come off. We print the words "Valparaiso" and "Antofagasta," and the net weight should be in kilos.

MR. TRAZIVUK: I am of the Ward Line, which only runs from New York to Havana and Mexico and return.

DIRECTOR GENERAL BARRETT: How do you find the marking of the packages?

MR. TRAZIVUK: Very badly done.

QUESTION: The point has not been brought out of a provision against possible damage by sea water getting into the hold. We have had some trouble with explosives shipments in that respect. The case is supposed to be waterproof under ordinary conditions, but suffers from continued immersion in water. The hold got so wet that the goods were flooded.

MR. TRAZIVUK: Do you insure your freight? If so, any damage done on the part of the shipowners the insurance people will pay for it.

QUESTION: It is not a question of who is responsible, but of having the goods get through in as good condition as possible.

DIRECTOR GENERAL BARRETT: Of course, the water might get in through some pretty severe storm.

QUESTION: As I understand it, on the west coast of South America, where shipments have to be lightered, there is always danger of that.

MR. TRAZIVUK: In Havana they discharge by lighters and sometimes on docks. In Mexico it is always in lighters.

MR. HYDE: I would like to know whether it is necessary to put a preparation on the inside of barrels and cases in order to prevent the packages from absorbing moisture and therefore increasing in weight when shipping valuable goods on which there is a high tariff.

MR. TRAZIVUK: You mean to put that inside of a box?

MR. HYDE: Something to make it moisture-proof and prevent absorption.

MR. TRAZIVUK: That is very important to you, provided the cargo is a valuable one.

MR. ENRIGHT: Do you think, in your opinion, it would be better in shipping dry goods or any other material affected by moisture shipped to the tropics, and on the west coast where these conditions of lighterage exist, to pack the goods in zinc-lined cases, properly soldered?

I have seen goods come to Buenos Aires where nearly every case coming from Europe was zinc-lined.

MR. TRAZIVUK: Some German manufacturers use that. I saw some on board the German steamers in Mexico which come from Europe.

MR. ENRIGHT: Nearly every shipment to Buenos Aires comes in those soldered cases.

QUESTION: Would it be better to use for barrel packing, straw, instead of hay or excelsior? I know of a shipment that went down to the west coast, and it got wet, whether it was from water that got into the ship or whether it was rained on afterwards, I do not know, but excelsior shrinks a great deal, and I found in this particular shipment that at least six inches from the top of the barrel was vacant, and afterwards handling or shaking of that barrel resulted in the glass pieces striking each other, and we found about 50 per cent. of the material was broken. Could you suggest any improvement over excelsior for packing fragile stuff like glass?

MR. TRAZIVUK: For a line of glassware?

MR. ENRIGHT: Anything fragile like that.

MR. TRAZIVUK: For instance, in packing glass it is very important always to use hay inside among the bottles, or whatever it may be. I think hay is better. Hay, to start with, is lighter than glass.

DIRECTOR GENERAL BARRETT: I want to say that Mr. Trazivuk would be very glad to meet anyone who may desire to ask further questions. We have got a lot of information here in a few minutes. Mr. Trazivuk, we thank you very much. Your remarks have been very helpful.

Gentlemen, I am going to have a little very rapid discussion. I am going to allow each man four minutes in order that we can call on quite a number of different men, because otherwise we cannot possibly get along. First, there is Mr. Enright, whom I would like to give four minutes, and he would fill every minute. He is one of the best posted men, and he is going down to Buenos Aires very soon. I want Mr. Enright to come up and make any pertinent suggestion that he wants to. After him I am going to call on Mr. Burns.

MR. ENRIGHT: I want to tell you what Chicago is going to do, and I hope that what I am going to say to you will so inspire you all that the other cities of the United States will follow her example. The Chicago Association of Commerce, through their Foreign Trade Division, has decided to open a bureau in South America of information for the manufacturers and merchants who compose the membership of the Chicago Association of Commerce. This bureau will have its head office in the city of Buenos Aires, but our efforts will not be confined to the Argentine Republic alone, but will embrace eventually the whole of South America. Of course, this is too great to cover all at once, so we are going to confine our attention initially to the Argentine Republic, Chile, Uruguay and Paraguay. As soon as we get the thing further developed we will go further.

This bureau will simply supply information to manufacturers and merchants who are members of the association as to what the opportunities are to place in these various countries the articles that they manufacture and sell, and also to obtain information as to what articles they can purchase with advantage from the Argentine Republic, because you must bear this distinctly in mind, that you can never build up any great trade with any country except on a reciprocal basis. You have got to buy things from them if you want to sell them things. Otherwise they are naturally going to give the advantage to the people who are bringing the money into the country.

Again, also, the bureau is going to pay particular attention to the question of establishing more direct financial connections with those countries and also better transportation, and, in addition, I will be able to obtain for those members who desire a line of credit of parties that we wish to deal with. This is a work which I would be very glad to see every other association of commerce in the United States going into. I would welcome the competition, and I would be very glad to co-operate with them. Of course, while this work will be confined to the benefit of the members of the Association of Commerce in Chicago, there is a movement on foot, or, rather, under consideration, to have a kind of associate membership in the Foreign Trade Division. As yet I am not able to speak authoritatively on that, as the thing is still in a preliminary condition, and we are just thinking it over at present; but anyone who has a Chicago office can join the Chicago Association of Commerce and obtain the benefit. I do not want to advertise the Chicago Association of Commerce, but simply to tell you of this step of the only association of commerce in the world, so far as I am aware, that opened an office in any of the South American countries to acquire information, and from the expressions of opinion I have heard, not only here, but through letters from various parts of the country since it was published that we were going to do this, everybody approves of it, and I only hope to see the initiative taken by us followed by everybody else. Thank you.

DIRECTOR GENERAL BARRETT: That is very good. I want to say we are greatly honored in having here as a guest this afternoon for a few minutes Doctor Ernest Fox Nichols, of Dartmouth College, who has come down here to attend the alumni dinner of his college. I will now call upon Mr. Forbes Lindsay.

MR. FORBES LINDSAY: Only one minute. I want to suggest that on the first of January, 1915, at the time the Canal will be opened, an exposition will be also opened in the vicinity of the city of Panama. It will be a permanent institution, a sort of continuous trade exhibit, and an excellent opportunity for every one of you who is after Latin American trade to get your goods on exhibition. It is well worth while to make inquiry as to the preparation of the facilities and all that sort of thing. Mr. Carlos Duque, who is here, of 24 Broadway, New York, can give you the fullest information about that.

DIRECTOR GENERAL BARRETT: I would like to ask if there is anyone here in this audience who would like to speak three or four minutes on some particular subject. Someone should be called upon, but we have not had the time to arrange for that.

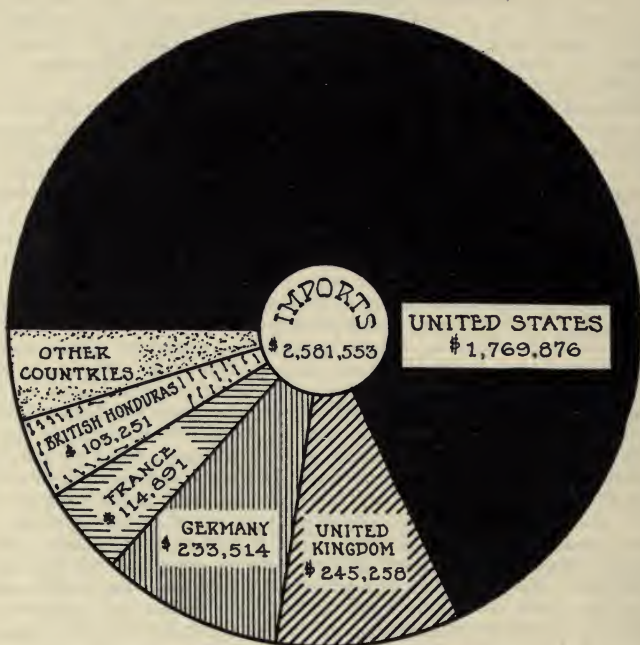
(Mr. Frank Wiborg was called for.)

FROM THE FLOOR: Mr. Wiborg is not here, but he wants me to express his regrets for his inability to be here at his regular time on the program, and I would call attention to his little book, "A Commercial Traveler in South America," that is published by McClure, Phillips & Company, of New York. Mr. Wiborg is of the firm of Ault & Wiborg. In the closing of this little book there are some observations on our trade with South America, which are very practical in character, and he said he would like to have that considered as an addition to the meeting, if he could not be here.

• HONDURAS •

- COMMERCE - FISCAL YEAR-1908-09 -

\$4,572,154



DIRECTOR GENERAL BARRETT: We have a number of copies in our library, and there is large demand for it, and it has given us some very practical suggestions of the kind that the average business man wants. When Mr. Wiborg was in South America I was your minister in Buenos Aires, and he came down the west coast and went back on the east. When he arrived at Buenos Aires he did not know whether he could do any business there or not. I took a great deal of interest in having him, because of his financial standing and bearing as a gentleman and as an American, succeed, and I introduced him to the President; and he has established a large business, and most of the ink used by the leading newspapers in Buenos Aires is supplied by his concern, showing what can be done by an American in the right way.

MR. KELEHER: These little notes I made yesterday when some papers were being discussed about Uruguay. When I was down in Uruguay the people were perfectly surprised to find an American salesman there. It seemed that the most of the salesmen skipped Uruguay on account of its apparent small size on the map, but if you look at the figures on the chart, you will find that Uruguay has a very good purchasing power, and the people like American material, especially in the line of electrical devices and machinery—anything mechanical. We have a good reputation all through South America, and it is a hard market to get.

One man came down there with a hundred bicycles. He was there two weeks, and at the end of the two weeks there were a hundred people riding around the city on bicycles and having a fine time. One week after the man left, all the machines had busted, and they judged us all by that. So when I came down there I found it hard. No matter what a business man's nationality is, he knows a good proposition when he sees it. They buy in small quantities, and it would not seem that it pays, but it does, as they get samples and they try them, and the second year we got great business and now have still more.

Another point, someone said that it will not pay to introduce an article unless it is a very large article and one that will sell for a lot of money. I find a lot of small lines will sell. I know I had one or two lines which were carried as side lines. Those side lines are making big money today. They were sold in small quantities at first, but those small quantities were tried out, and the quantities are very large now, and form a very large part of the business I was speaking of.

REMARKS OF MR. CHARLES LYON CHANDLER, U. S. VICE CONSUL GENERAL AT BUENOS AIRES, ARGENTINA

Mr. CHANDLER said:

I will say a few words regarding the Argentine market. Argentina is our best South American customer. Every man, woman and child in the Argentine Republic is now buying \$6 a year from the United States. This is about twice of what the Brazilian and Chilean, our next best customers, buy. We hear a great deal of the wonderful markets in China and Japan, and of the "Open Door." Well, our exports to Japan have increased by only about \$100,000 during the past ten years; our exports to China have decreased enormously; they decreased by nearly two-thirds from 1905 to 1909, while our exports to the Argentine Republic have increased by nearly \$32,000,000 during the last ten years.

We should not rest content with this. There are hundreds and hundreds of articles which we are either not selling to Argentina at all, or whose present sale there could be greatly extended. While our exports to all the principal countries of Europe, except Italy; to all the leading North and South American countries, and to nearly all Asiatic countries, to nearly all our best customers, showed a reduction for the fiscal year ending June 30, 1909, as compared with the year previous, our exports to the Argentine Republic increased about 6 per cent. in that year.

The increase was greatest in the following articles:

Locomotives (\$640,160).

Agricultural implements (\$629,966).

Shooks (\$361,152).

Lumber (\$278,899).

All other steam engines and parts thereof (\$318,614).

Steel rails for railways (\$230,723).

Since then the figures are greater and greater. And that eager judicious exponent of our foreign commerce, Mr. Charles Hitchcock Sherrill, our Minister to Argentina, has secured the contracts not merely for the building of two battleships in the United States, but also for over \$1,000,000 worth of railway cars and rolling stock of the Argentine Government railways. As yet we have done nothing whatever toward getting any of the road-making machinery business in Argentina, except for a small order for the city of Buenos Aires. There are great opportunities in this line, of which you can obtain full information by writing to the Bureau of Manufactures, Department of Commerce and Labor, at Washington, where complete trade lists of the Argentine Republic are also on file.

These figures I have mentioned show what we can do in that vast temperate country of settlement, and it is for you gentlemen before me to see that we do get it.

We have heard a great deal about the eastern markets. Just one thing more I want to say to emphasize what Mr. Barrett has written; when you consider that every man, woman and child buys six cents apiece from us in China, and from the Argentine Republic buys six dollars apiece, you can see the difference. Every man, woman and child in Japan buys exactly seventy-eight cents from us. A great deal has been said in this conference about extending the trade. That means two things. It means not merely extending the trade in things that we are buying, but in entering the new markets and in getting business away, and then as business has been so built up in reaching into the new fields. This southern part of the Argentine Republic has not been touched at all. It is an immense area with 472,000 people, containing oil and mineral lands of incalculable value. Recent statistics as to the oil and minerals by the Argentine Government show that these products of Patagonia and elsewhere are of splendid quality, and only waiting for the American business man to come down and develop them. All those countries offer marvelous opportunities.

Buenos Aires has now over one thousand American elevators, more than any other South American city. There are two thousand apartment-houses, four thousand automobiles, and the other features of that city have been already detailed. We shall merely turn to one or two specific figures, from which we will see that it is in only a few of the greater articles of merchandise in which we are leading in Argentina, while many of the smaller lines could be worked with profit.

We must not rest content with our agricultural trade, while that amounts to \$7,000,000, because September 15th last a very large German house came into Buenos Aires and went into business. Look out for them, and also the English and French, who are doing everything in their power to control those markets. No American firm has done what English firms have done. They have complete Spanish catalogues, and they will show you, if you want to get that business, what the Argentine Republic is spending \$10,000,000 on. On illuminating oil we are holding good. On shocks we are holding good. Twine is another thing we are leading in, and we will get a great deal more. We have made a great start during the last few years on passenger cars and locomotives. I know a young man who went down there in the Republic and kept at it until he got it, and that is what we will do with the business of Argentina, gentlemen.

DIRECTOR GENERAL BARRETT: I will now introduce Mr. Dudley Bartlett, of the Philadelphia Commercial Museum, who will address us for four minutes.

MR. BARTLETT: You may not know it, but while I have been sitting in the back seats, in the seats of the lowly, I am really entitled to a seat in the front row, with the diplomats on my right and diplomats on my left, as I happen to be the consular representative in Philadelphia for Chile; and it is a great pleasure for me to learn through the statistics that we have bought in Chile during the last year an excess over our purchases in Chile ten years ago of 174 per cent., while our total increase with South America of purchases was 133 per cent.

I have thought sometimes during this meeting that we have not given all due credit to the diplomats and representatives of foreign countries who have been here and have lent their aid and their assistance and their advice to our efforts to give their trade, and I hope before this meeting ends that something will be done—some expression made of the gratitude that we must feel towards these men because they have unselfishly come here to aid us to get into their pockets and sell our goods there, while naturally their primary interest is to see what they can do in the way of selling their goods here.

I want to say just one word, especially, about our foreign correspondence. We have been told it is necessary to write to the Spanish-American houses in

Spanish, which is right. Most manufacturers must have the aid of a translator. That translator's work is hard, but it is made doubly hard by the careless and often slovenly writing of many of you men. I want to give you an idea of what a translator may have to meet in the way of translating letters intended for a South American merchant. For instance, suppose you get this sort of a letter to be translated:

"We want to put you wise to a good thing. Our new double action, adjustable cuspidor and jardiniere—the greatest invention of modern times—is a corking seller, and just the cheese as the leader for a special sales-day in any up-to-the-minute store.

"It is just as classy in a lady's boudoir as in the bar room. For amateur tobacco eaters we provide an adjustable expansion lip, which no man could miss at 20 feet. Read the gilt-edged letter of recommendation by the Mayor of Pike City, Arizona.

"Send for our price-list now, and place your orders ahead of the push if you want to get on the band wagon."

Imagine giving that to a translator to put into the language of Cervantes. In the first place, be clear in every letter; be clear and exact in every statement; do not use long and involved sentences; avoid exaggeration; avoid slang as the devil avoids holy water. Do not use any more technical terms than you can possibly help using, for this reason: the Spanish language is not rich in technical terms, and I have had occasion to handle many letters from manufacturers which have fairly reeked with technical terms, many of which have been coined in their own machine shops. The Spanish language has not even a term of its own for that most important adjunct of civilization, the cocktail, and you can imagine how hard it is for a translator to find some terms which are entirely local, and which with a little care may be readily avoided. I feel this is an important matter, and one which we have met in our Translations Bureau of the Commercial Museum many times, to the satisfaction on the part of the man who receives the letter.

DIRECTOR GENERAL BARRETT: We shall have to have further remarks deferred on this subject. We have accomplished a good deal in a very short time, and we will take this up later. I hope we can call upon Mr. Bartlett for further discussion upon that point tomorrow.

We will proceed now with our program in hearing from the man who is at the head of the institution of which Mr. Bartlett is the Chief of, the Foreign Trade Bureau. It is therefore most fitting that he should have preceded the remarks from Doctor W. P. Wilson, who is known all over this country as an expert on both export and import trade; and at the conclusion of his ten or twelve minutes I hope you will ask a few questions, because he is in the habit of answering questions.

ADDRESS OF DOCTOR W. P. WILSON, DIRECTOR OF THE PHILADELPHIA COMMERCIAL MUSEUM

Doctor WILSON said:

I have listened in a very quiet way to three or four days of discussion here and have been intensely interested. I had declined to present a paper on a special line of thought, but as so many queries and difficulties have arisen in one way and another, I have concluded, on the ground that not one person in thirty or forty here has ever heard of the institution which I have had the pleasure to work in and to aid in organizing, to give you a little description of that institution, because it is one where you can come some time to solace your sorrows.

In the first place, however, I think just a word about what seems to be one of the most remarkable conditions that anyone can ever comprehend or think about—this magnificent thought of the Pan American Union in its magnitude, the thought of bringing together in harmony all the different republics which have come into existence, so to speak, by the very sweat of their brows, as we did, and we preceded them, each one laboring along under the guidance and control of some European monarchy, until they have finally thrown off the yoke of that oppression and have become republics, and now the feat of bringing them all together into one great nation and for one great purpose, that of peace and harmony and strength together in the western hemisphere. I grant you that no such conception has ever entered the minds of other governments than that which has been brought

into the thought of these South American Republics—Pan American Republics, with the United States. And I want to make just one suggestion. I have been interested in foreign commerce, especially, for the last fifteen or eighteen years, and I have seen the gradual progress of this particular movement. It has grown up from a young and vigorous thought into its present enormous proportions, that you can hardly think about and I could not help but state—I have seen the progress of the work of Mr. Barrett during the time from his diplomatic work in Siam to his diplomatic work for commerce in the United States, and in those foreign South American countries, and I want to say to you that nobody but a diplomat, nobody but a thorough scholar and a gentleman and a thorough worker could have ever thought out and brought to fruition this magnificent conception but Mr. Barrett. I know my time is getting on rapidly and I want to state that fifteen years ago, through the aid of a few people, an institution was brought into being in Philadelphia which, from the very start, was a missionary institution for foreign trade. The city of Philadelphia made liberal appropriations to it, the State of Pennsylvania made liberal appropriations to it, and in one of its first efforts, the United States Government, thinking that it should be fostered, made also an appropriation of more than \$300,000 to it, and one of the first events that took place—and I am glad to mention it here—in that institution—it was named the Philadelphia Museum—I am sorry that the word “museum” at the present moment is attached to the word “commercial,” because most people have attached to the word museum a lot of antiquated, dried mummies, pathological or ornithological material, and we have not got that in this institution. I want to state that one of the first acts which that institution did and which caused its inauguration by the late President McKinley, who came with his Cabinet and Latin American ministers at that time, was a foreign commercial congress, and that foreign commercial congress was the first one ever held in the United States. We invited only the Latin American representatives, and we had every Latin American State or Republic represented at that Congress.

As I say, the city of Philadelphia was liberal in this missionary movement, and provided expenses for a congress lasting ten days, after which a fine Pullman train was made up and these delegates—and some of you gentlemen may remember that excursion—was taken for six weeks to every leading, important city in the United States, and those cities spent more than \$300,000 in entertaining these delegates and showing them from first to last the manufactures of their special cities. Those delegates went home pleased in various ways. They purchased more than ninety tons of samples in different parts of the country, and I remember especially one delegate, who placed an order for \$1,500,000 of structural iron in Pittsburg at that time, who was brought up from Mexico. They were building bridges, and they found it was convenient to get their iron here.

That was one of the first efforts, and our late President McKinley thought it was important enough to come to Philadelphia and make one of his most stirring and magnificent speeches, and inaugurate and open the institution. That was such a success that we began immediately to foster and prepare for another commercial congress, that was held in 1899 and 1900 in Philadelphia, by inviting through the State Department every country to be represented, and twenty-four of them were represented by formal delegates, and by inviting all the leading shapers of commerce of the foreign countries to take part in this convention. And it was a success, because we had three hundred foreign delegates at that time, and because the city of Philadelphia was liberal and provided \$50,000 to entertain those delegates during those eighteen days that they were in session there, discussing various topics of international interest in commerce and education, for we took up commercial education, and when we took that subject up, just to show you the dignity of the situation, the president of Columbia University in New York came over and presided, and the president of Harvard came and presented the first essay on international commercial education.

When we had some international questions that related to politics up, the late Speaker Reed thought it was important enough to come to Philadelphia and preside on that day, and when we had South American matters up, the late Minister Buchanan—an abler man we never had in the ministry—came and presided during the discussion which we put forth on Argentina and Chile and the near-related republics; and you will remember that it was the ministering thought of the late Minister Buchanan, who settled the little difficulties which existed between the Argentine and Chile at a later day.

These representatives were provided with railroad passes and railroad facilities to go to any part of the United States that they chose to for investigation. Some of those who were interested in meat inspection of Germany—and we had thirteen from Germany—went to Chicago and examined the meat inspection. Others who were particularly interested in saying we were scattering the San Jose scale on our dried fruits and things of that kind, we gave them letters and means to go to the West, where the apples and the various things were packed, and where the apples and fruits were dried and canned, and succeeded in showing them that the whole matter of the carrying of the San Jose scale in our fruits was a matter of nonsense; and when the delegates from Germany got home they published a pamphlet, stating that our meat inspection was far superior to the inspection of Germany. It began to do away with that prejudice against our meats, and introduce them into Germany again.

These delegates went home, three hundred of them, from various places. All Latin America was represented, China, Japan, Australia—by the way, from the chambers of commerce and delegates from Australia, and Australia had not been federated then the way it is now, there were thirty-six from Australia alone. They went home, and they were from that time on the warm friends and missionaries of this institution for the reason that in the very inception of this institution we attempted to work on both sides of the question.

Now, then, we started out in the very beginning to secure magnificent collections from all the countries in South America and all other countries, that we might take up the other side. As you know, there must be reciprocity if there is trade. You must send your ships loaded both ways. So we secured magnificent collections from the Argentine, from Peru and from various countries, and we set them up, and ever since we have been laboring to show that if you want to trade with a country, you must find what there is in that country that you can take and that our manufacturers here can use. It is a principle that won't last long if the trade is entirely on one side. I have on exhibition now more than 20,000 specimens of wood from Latin America and elsewhere in the world, so classified that an architect could come in and at once find woods from a country and make those available. We have fruits and nuts and oil nuts and various things that can be used in this country, and you will be surprised at the number of inquiries and methods that are in progress from people who want these things from foreign countries.

This institution, which has started out in this way, and ever since has been supported by the State—for the last 10 years we have never had an appropriation of less than \$70,000 at each meeting of the Legislature. I will tell you what we are doing with that in a moment. We have never had an appropriation from the city of Philadelphia for less than \$65,000 in all that time, and sometimes it has run up to \$125,000. There have been paid in by private individuals to this institution for special work of putting manufacturers in communication with foreign houses, and for all sorts of intelligence in every way, more than \$500,000 since its existence. The city of Philadelphia for its maintenance has contributed from its beginning \$1,500,000; the State over \$300,000.

Now, then, I want to show you what we are doing. We are divided into three departments. First, a museum. We come under that name, and that museum includes exhibits from almost every country in Latin America, and we are working hard to get more. We take those exhibits when they are sent to us by the different Governments, and without expense to that Government, put them in cases and exhibit them so that they can be seen. The information we get with them is filed in a bureau, so that if you want to know what a given thing will cost, a marble or anything else in Latin America, we go to the bureau, and if we do not have the information we get it, and we have all sources to get it from. I call this a missionary institution. We are taking the side just as much of the Latin American republics to aid in their trade and bring their things to us as you gentlemen are taking the side of trying to get into the trade of those countries, and we admit that reciprocity is the first consideration, and that we must go to those countries and find out what they can sell here and help them to get it into this market if you want to get into their market.

I will give one or two illustrations: The great nation of Brazil has sent up its special products. That Government has sent us white mahoganies, their rosewoods, and many other valuable woods in timber sizes, so that an architect or builder would know what he could depend upon, and they are there upon exhibition. That has been done with other countries. I want to state that we have over a million and a half dollars of exhibits. We did not get them all direct. I went to Chicago and brought home

25 carloads of materials, mostly from South America. I went to the last Guatemalan exhibition, which was for Central America, and the steamship companies, knowing that they would increase their trade, brought up to our door 400 tons of material without a penny's charge, because it was sent to an American museum, and they knew sooner or later they would reap the reward in freights. In that way we went to Paris at the time of the last exhibition, and some of the countries of South America turned all of their exhibits over to us long before they took their exhibits to Paris, and in that way we secured 1000 tons of material which was brought back to this country to be exhibited in this institution for missionary work for the Latin American republics. That will do for the museum side.

We are attempting in every possible way to exhibit each one of these countries without expense to the country, so that you can step into it and you can see exactly what that country can produce, and something of the habits and customs and the civilization of the country; and we put up trade maps of the country, so that you can step in and get all the information in general without asking for it; and it is all free to everybody.

We are conducting something else outside of that museum work. We are conducting a bureau for commerce—a bureau for foreign trade. That bureau in its technical work employs 37 people, and that bureau is entirely paid out of the money which comes in for special services. The city decided not to support it after the first six or seven years, and having devoted much money to it and furnished it in every way, and still gives it rent and light and heat, its actual conduct must be paid for by the manufacturers who use it, and there are thousands of them using it.

I could not help but think the other day, when somebody was speaking about European competition and French competition and German competition—when that gentleman was talking to me there was another gentleman standing not 25 feet away who was his strongest competitor, and much stronger than anything in France or Germany. Gentlemen, you are in competition with yourselves, and that is the strongest competition which you have to meet. You are the sharpest manufacturers and traders in the world, and you are in competition with yourselves, and that is all right, too.

A second department of this institution is carried on for commercial education. The State of Pennsylvania has made an appropriation for the last eight years for commercial education in the State of Pennsylvania, and it is the only State in the Union that is doing it. I want to state that Illinois, Wisconsin and two or three other States, especially Massachusetts, are waking up to that fact, and they have been to our bureau to see what we are doing in the last month or two, and in the new Boston Chamber of Commerce, with its 5000 members, they are taking that thing up with vigor.

I want to state that for eight years we have been making up epitomes on manufactured materials and on other material, on rubber from Brazil, on cocoa and fibers from all over Latin America, and putting it in series and sending it out to the schools of the State of Pennsylvania with all the information with it, and then going out and setting these things up and showing the teachers how to use them. We have gone all over the State doing that, and we have distributed these magnificent collections, that would cover the whole front of this building here in cases eight feet high and seven or eight lines of fixtures. We have put those into over 2000 schools in the State of Pennsylvania, and at the present moment we have 600 collections ready to distribute, and we have more than 2000 schools asking for them. That is the educational side of it in the State.

Another little thing we are doing in the State: We have found that in the State of Pennsylvania, which is an exceedingly large State, with a great many schools in the mountain sections, that there are 18,400 little ungraded schools in these remote districts. We have planned a system of lectures. These lectures cover these South American republics; they cover the various parts of the world with fine lantern slides, with a lantern, the lecture written up in each case, and with everything, so that we are sending those facilities into the little remote schools everywhere. We do not allow them to go into a big city, but we are sending them to those little remote schools. It goes in the schools, then they bring parents in and use it with the information. Then it goes into the church, and it is often used four or five times before it gets back to us. We are circulating that material all over the State of Pennsylvania. Then, as to the educational work we are doing in the city of Philadelphia. Last year we lectured to over 20,000 children in special appointments of schools, and we gave them lectures on every single one of the Latin American republics repeatedly, and on the oriental countries. They received the lecture by appointment, and after the lecture had been given they were taken by skilled experts and given two hours each time in the particular

collection about which the lecture was concerned. We have so much of that work in the city that we cannot do one-tenth of it, but it has seemed an illustration of what may grow out of a commercial museum.

I want to invite every one of you gentlemen, and it will pay you if you are going South or anywhere into trade, to examine the facilities which we have. We have a library that excels any library in the United States or any library in the world in particular commercial documents. It contains every consular paper that is published by the British consuls, and they are in our library 10 days after printing. It contains all the French, Belgian, Austrian consulate publications. It contains the official, statistical and commercial publications of every Government that has any. Beginning 15 years ago without a single paper or book, it has over 70,000 numbers in it. Of course, it is the repository for everything that our own Government publishes. That library is free, and a librarian in it who is a statistician to help anybody get out anything they want. It contains an official gazetteer and gazette of every Government that has one, and, of course, all the reports of the concessions and everything that is going on is published in those journals. It has a man that does nothing else but file tariffs and look out for any changes to tell in a moment if there has been a change in a tariff in a given country.

DIRECTOR GENERAL BARRETT: I was very glad to extend the time of Dr. Wilson, because I am aware of the great practical work that his institution is doing, and I wanted you to be familiar with it, and we are under a great debt of gratitude to him for coming here and participating in the Conference and telling us about it. He has told us enough so you know it is important. I know what he has said has suggested to you some questions, and I would like to have anyone ask any question of Dr. Wilson that he would like to have answered that would further inform him as to the work that great institution of which he is the head is doing.

MR. LINDSAY: Several inquiries have been made to me—four or five in the course of the last few days—in regard to the Philadelphia museum, making it evident that the idea is prevalent that the scope of that utility is local.

DOCTOR WILSON: Mr. Lindsay has asked me if the work of the Philadelphia museum is local. There is an idea that it is local. We have to do a great deal of work for the Philadelphia people and the people of Pennsylvania. I made an estimate a year or two ago, and 40 per cent of all the work we did was done without any fee whatever; I mean the commercial work, translations, and everything for the city of Philadelphia. The city of Philadelphia sends up translations for 12 different languages, to be posted around the city on account of the great numbers of foreigners there who have to know something about the regulations of the city; and all kinds of work of that kind we do without any fee whatever. We help every manufacturer and everybody that comes to the museum without fee. We are rather prohibited from any broad advertisement of this institution, because the city appropriates to it. We use the city seal on our paper, and we are proud to be reckoned a department of the city, and all our accounts go into the city treasury naturally. In the very beginning our Board of Controllors asked to have the late President Roberts of the Pennsylvania Railroad for one of its heads; it has had a President of the Pennsylvania Railroad on it ever since. President Thompson was the next one, and so on down, one of the chief men, as a governor of this institution. It has some of the leading department store proprietors on it, and it has a lot of leading men. We do not advertise very much, but I could tell you that we are serving a hundred firms within a scope of 50 miles to 1000 miles west of here, and that we are serving firms in almost every large city of the United States with this special commercial information, and that the institution has been broad, and gives anybody, any firms, or anything anywhere in the United States from the very beginning. We cannot help the opinion going on that we are simply local.

DIRECTOR GENERAL BARRETT: I hope the Doctor will prepare a manuscript in extenso, that we can publish in our printed record of this Conference. Doctor Wilson is right here, and will be glad to answer specifically any questions and give any advice that he can in his position.

QUESTION: The State of Pennsylvania appropriates each year for your educational work—what amount?

DOCTOR WILSON: It has never been less than \$75,000 in the two years.

DIRECTOR GENERAL BARRETT: I want to say that the Doctor and the museum have given us always the most hearty co-operation, and I want to acknowledge that

publicly here, in everything we have undertaken. We are very grateful to them for their assistance, and we recommend them most highly.

Mr. Graham Clark is one of the men that the Bureau of Manufactures has sent through South America, and who is now upon the Tariff Board, and is a specialist on textiles. He has already met all the textile men, so I am not going to ask him to enlarge upon that, but in the few minutes to make some practical suggestions from his own travels in Latin America.

ADDRESS OF MR. W. A. GRAHAM CLARK, TEXTILE EXPERT OF THE TARIFF BOARD ON AMERICAN COTTONS IN LATIN-AMERICA.

MR. CLARK said:

The cotton goods imports of the 20 countries of Latin America proper now amount to some \$110,000,000 annually. Of this trade we obtain about a twelfth, Germany over an eighth and Great Britain over one-half. Our exporters have confined their efforts mainly to the countries of the Caribbean Sea, and in most South American markets you will find American cottons conspicuous by their absence. The United States leads in the cotton goods trade of Honduras, Haiti and Dominican Republic; Germany in that of Bolivia, and the United Kingdom in that of the other 16.

It is of importance in attempting to get foreign trade in any line to ascertain first what markets are most worthy of attention. The imports of cotton goods into Latin America in 1908, the latest year for which I have nearly complete figures, were as follows:

Argentina.....	\$27,119,134
Brazil.....	15,788,044
Chile.....	9,652,405
Cuba.....	8,908,175
Mexico.....	8,778,832
Uruguay.....	1907 4,709,248
Colombia.....	Est. 4,500,000
Venezuela.....	4,191,270
Peru.....	3,002,700
Ecuador.....	2,453,900
Haiti.....	Est. 2,000,000
Salvador.....	1,771,764
Guatemala.....	1,389,576
Dominican Republic.....	1,186,551
Bolivia.....	Est. 1,080,000
Nicaragua.....	909,217
Costa Rica.....	883,503
Honduras.....	729,854
Paraguay.....	649,724
Panama.....	593,990
	<hr/>
	\$100,216,887

These figures, taken from the statistics of the importing countries, show a total of a trifle over a hundred million, which, owing to the fact that 1908 was an off year, are some ten million less than usual. We find from these figures that there are five big markets—Argentina, Brazil, Chile, Cuba and Mexico. In 1908 we obtained only 2.53 per cent of the cotton goods trade of Argentina, in Brazil, 2.35 per cent, in Chile, 4.62 per cent, in Cuba, 11.95 per cent, and in Mexico, 8.92 per cent.

The largest markets lie farthest from us, and in these we do the least. I would especially call your attention to the importance of the cotton goods trade of Argentina. In a normal year Argentina imports over thirty millions of cotton goods, and this trade is yearly increasing. Italian mills find in Argentina their best market, and it is one of the most important markets catered to by the mills of England, Germany, France, Belgium and Spain. They require large amounts of cotton goods of all kinds, but outside of some cotton bags, yarn and duck, we have made scarcely any attempt at competition. For instance, they imported in 1908 \$3,854,516 worth of cotton prints, and of this amount we shipped them \$237. Over 98 per cent. of the cotton goods trade of Argentina is handled through Buenos Aires, and this business is concentrated in the hands of about eight large foreign firms who have plenty of capital and who, in many cases, prefer cash discounts. The cotton goods trade of

Argentina is not only large and growing, but is a permanent one, for the attempts to grow and manufacture cotton in Argentina have had little success, and the people prefer obtaining their goods at reasonable prices rather than the stimulation of an exotic industry by artificial means.

As the time at my disposal is limited, I will not attempt to go into the details of the specific kinds of cottons required in the various countries, but if there is any exporter here interested in this matter I will be glad to talk with him personally. It is to the interest of the manufacturer and exporter to know on what lines we cannot compete as well as on what lines we can compete. My investigations show that on bleached and fancy goods, where the labor cost amounts to 40 per cent. or more of the total cost, we cannot, under present conditions, offer much competition. On lines like hosiery, embroidery and lace, where we import a large portion of our own requirements from abroad, we cannot, of course, expect to export. On the other hand, we are able to compete strongly in gray goods, in standard lines of prints, in "blue goods," such as denims, stripes and plaids, and in the medium grade of other colored cottons, such as ginghams and trouserings. Considering that there is a portion of this trade on which we cannot compete, and that on most of the other lines we will meet strong competition, I estimate that the share to which we are entitled is at least a third of the total. In other words, instead of the \$10,000,000 of cotton goods we sold Latin America in 1908 we should have sold them, and could have sold them, over \$30,000,000.

In Brazil there are 1,000,000 spindles and 35,000 looms; in Mexico 726,278 spindles and 25,327 looms, and in Peru 52,250 spindles and 1750 looms. Brazil now turns out some \$40,000,000 worth of cotton goods annually, or about two-thirds of their total consumption. Both Mexico and Peru control their home market for coarse cottons. In the other countries cotton manufacturing is in its infancy, and, in my opinion, will never be strong enough to offer much competition with goods made abroad. Except in the three countries named, our competition will be with Europe alone.

American cotton manufacturers are favored by the fact that, with the exception of the section of the east coast from Pernambuco downwards, American goods can be delivered quicker than European goods, and also by the fact that to almost every port of Latin America the freight rates on cotton goods are less from New York than from Liverpool. From New York to Havana the rate on cotton goods is 14 cents a cubic foot as against 19.7 cents a cubic foot from Liverpool. To La Guaira the American rate is 15 cents and the English 28.9 cents; to Callao in Peru via the Straits of Magellan the American rate is 26 cents and the English 40.5 cents a cubic foot. The greatest difference in our favor is to the port that our cotton goods exporters most neglect. To Buenos Aires the rate on cotton goods is only 10 cents a cubic foot from New York, as compared with 24.3 cents a cubic foot from Liverpool.

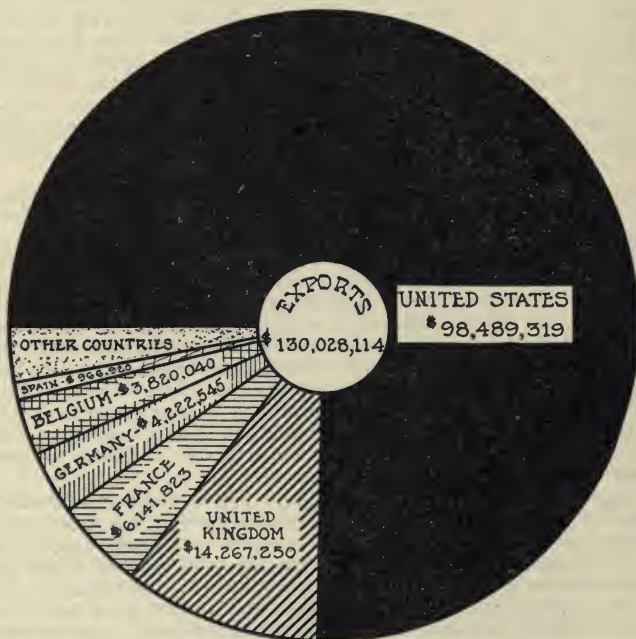
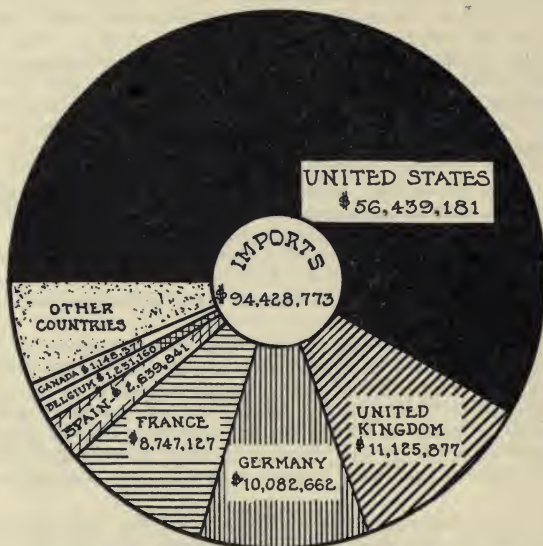
On cotton goods the freight rates are in our favor, but in shipping there are other things to consider besides the rate, and American ships under the American flag would much aid our business. Take Buenos Aires as an example. We have the cheapest freight rate, but ships only run at intervals of two weeks, and if a ship is full the cargo has to wait another fortnight, and after leaving the port it takes them 28 days to arrive. From England and Italy there are fast 19 and 17-day boats, and cargo never has to wait over a week. The European lines cater not only to the shipper, but to the traveler, and ships like the "Asturias" and others of the Royal Mail, fitted with elevators and all modern conveniences, are not surpassed by the liners that ply between New York and Europe. The superior quickness and comfort of the European trip sends the importer to Europe instead of to the United States and has an important effect on trade. We cannot expect to offer similar accommodations until one end of the steamer's track is firmly anchored in the United States by American ownership.

Speaking of shipping, there is one thing that is worth considering, and that is that cheap and convenient facilities for unloading freight are almost as important as cheap freight rates. The importers at ports such as Havana and Valparaiso pay millions of dollars annually for lighterage. On the west coast of South and Central America there are few good harbors, and in some cases, for instance at the Guatemalan and Salvadorean ports, both passengers and freight have to be slung down from the ship's deck to a rowboat and then slung up again from the boat to the end of a long steel pier projecting out into the ocean, or else the boat rushed through the reef and beached on the sands. Antofagasta, in Northern Chile, holds the world's

• MEXICO •

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record for excessive lighterage charge. The seven steamship companies operating there do their own lightering and have a combination by which they are enabled to charge exorbitant rates. Their printed schedule reads like a customs tariff, as they charge for lighterage on the value rather than on the weight. They divide goods according to their value into 10 classes and charge from 75 centavos to 20 Chilean paper pesos a hundred kilos; that is to say, the lighterage charges run from \$1.78 to \$47.40 per ton of 2240 pounds. On some classes of goods the charge for the lighterage a quarter of a mile from ship to shore is actually more than the freight rate for a distance of 8000 to 9000 miles. One effect of the Panama Canal should be the improvement of the landing conditions in the ports of the West Coast and the consequent lowering of intermediate costs.

We need American banks in South America not only to facilitate our trade, but also to aid in the investment of American capital. England owes much of her dominating position in South America, as we owe much of ours in Mexico, to the investment of capital, and this is an important factor in building up trade. The London and River Plate Bank pays about 20 per cent. a year in dividends, others do almost as well, and there is no reason why an American bank should not also be a paying institution.

We need more American houses in South America. What W. R. Grace & Co. and Wessels, Duval & Co. have done on the West Coast in stimulating American trade other American firms could do in Brazil and the Rio Plata. You know the foreign trade of Latin America is not in the hands of natives, but of European houses established there—English, Germans and others—and these naturally favor their own country unless they obtain special advantages from others. In the same way we need American houses who will give the first preference to American goods.

I have met in South America but one American traveling man in the line of cotton goods, but I met a score or more of Europeans. These were mainly Germans and Austrians, who in many cases were traveling for English houses. They were good linguists and seemed to take their time, staying in each place long enough to get on good terms with the importers. In Latin America, especially in Brazil, the "amigo" business plays a greater part in business than in any other section of the world, and the fact that the drummer is his "amigo" offsets with the importer several additional discounts offered by a new competitor. A new line is harder to establish, but once established is harder to displace in Latin America than it is in the United States. A traveling man must be "simpatico," and not only speak the language, but fall in with the customs and modes of life of the natives to obtain and maintain a permanent business.

The countries of Latin America now contain some 72,000,000 people, and though, outside of Argentina and Southern Brazil, the rate of increase of population has been very slow, it is reasonable to suppose that in the future the current of immigration will become much more rapid. The increase in population, together with the increasing prosperity of the people, will necessarily result in an increased demand for cotton goods, and whether the additional purchases from abroad will furnish employment to capital and labor in the United States or in Europe depends largely on whether we are in earnest in our desire for their business, that is, whether we will furnish them what they want; put up as they want it.

In 1910 the figures for our total trade show that we bought from Latin America \$152,188,000 more than we sold them, and yet we are in better position to supply their needs than they are to supply ours. We need their coffee and sugar and rubber, and they need our manufactures. In particular let us remember that the largest single import of Latin America is cotton goods, and if we cater to their requirements in this line we can fill up much of the empty space in the ships that are southward bound.

My line has been entirely investigating the market abroad for the manufacturers of cotton, and necessarily I have been more interested in that than in anything else. But I have also seen something of the general trade. I noticed one point that was stated here about the freight rates. I would also say that on my special line we have cheaper freight rates than any nation in the world. That may surprise some of you, but to every port in Latin America I think, without exception, the rate on cotton goods from New York is less than the rate from Liverpool. To Havana, for instance, the rate from New York is 12 cents, plus 2 cents extra for lighterage, which is 14 cents; from Liverpool it is 19.7; Callao, Peru, 26, against 40½ from Liverpool, and to Buenos Aires the rate is 10 cents a cubic foot, and 24.3 per cubic foot

from Liverpool. Buenos Aires is the biggest importing country in cotton goods in the Western Hemisphere outside of the United States. They take thirty millions a year—the market we neglect most—and yet our freight rate on cotton goods is less than half that of any European nation.

MR. DE ARMAS: I would like to make a suggestion to Mr. Clark along that line in the textile business, especially with regard to the selling of stamped fabrics.

MR. GRAHAM CLARK: Having a special brand on the fabric is a very good thing, but the English, as a rule, do not do it, and the importer, as a rule, wants his brand and not the mill brand, and in some respects it is better that way, because the importer wants to establish himself among the retailers and small stores, and he does not want to establish the mill brand.

MR. DE ARMAS: Do you recognize that the English are far ahead of you in that special line of standard fabrics? I would also like to hear some suggestions in connection to that.

MR. GRAHAM CLARK: What do you mean by "stamped goods"—print goods? No, I do not recognize that the English are ahead of us. Perhaps you are not fully acquainted with it, but on print goods of standard lines we can compete with any nation, because we turn them out in bulk. On fine goods, 40 per cent or more, we can compete with any countries.

MR. LEWIS: Are the freight rates that you mentioned the special rates, or such as may be obtained from the consuls?

MR. GRAHAM CLARK: Always special rates, but the rates I give are the rates given me by the importer. In many cases I have seen them on the actual invoices.

MR. LEWIS: Do big firms very often give special rates?

MR. GRAHAM CLARK: I am giving the general rates.

MR. GRAY: Please tell me in a general way how the exports of manufactured products from the Southern States of Latin America compare with the exports from the Eastern States. Tell me also, please, what is the business which is controlled and financed by commission merchants at New York, and tell me, if you can, whether the mills in the South are equipped with machinery for making goods as they ought to be made?

MR. GRAHAM CLARK: The export business is done entirely by the export firms in New York. There is a possibility of one or two Eastern States who do conduct business with Latin America; that deals with the commission houses in Latin America, and in regard to the mills in the South and in respect of those in the North, I would like to say that I think the bulk of the goods from the South—that the mills of the South are the exporting mills today, notwithstanding a great many mills in the North export; but most of the denim, gray sheet and plaids exported to the West Indies and other parts of Central America, Colombia, Venezuela, and so forth, come from the South; print goods from the North.

DR. ROWE: Did Mr. Clark intend to leave us under the impression that the freight rates in general from any seaport, either on the East or West Coast of South America, were lower than the freight rates from Europe?

MR. GRAHAM CLARK: I spoke of nothing but the general rates. I will say I do not know. I understand that machinery and some other classes of goods do not have the cheapest rates. I am speaking of cotton goods. The rate on cotton goods, with scarcely an exception, is lower from the United States.

QUESTION: Are these simply published rates, or are they rates secured after investigation?

MR. GRAHAM CLARK: The rates I got, I asked the shipping companies at the different ports for, and I also got, at several places, the actual invoices from the merchants showing the rates.

DR. ROWE: In entire confidence, were the rates furnished by the steamship companies?

MR. GRAHAM CLARK: They are the general rates. Of course, some of the larger firms get special rates, but I verified that by invoices from the importers.

MR. MANNING: Will the difference in the weight of packing, with our American custom of packing cotton goods in wooden cases and the European custom of packing in burlap bales, make any great difference in the cost of freight?

MR. GRAHAM CLARK: What I saw came packed in bales, except certain lines, gray sheeting were packed in bales, not cases; but the English packed in bales, and very often compressed to three-fourths of what our bale sizes are, and the freight rates are by the cubic foot. The English compressed the bales very much tighter, and they protect the bales better.

DIRECTOR GENERAL BARRETT: You have seen Mr. Clark and he will be very glad to answer any questions. Thank you, Mr. Clark. We have been pleased and instructed by some of the splendid words we have heard from Bishop Kinsolving, who, although a missionary in the church, is wonderfully well informed on commerce, and there is a certain point he wanted to answer, and he is so illuminating that I have allowed him just three minutes at this time to explain that point.

BISHOP KINSOLVING: Consul General Anderson of Rio said last year in his last consular report that trade with Brazil was decreasing. Now, I want to give you a specific case to show why it does decrease, and just the reason, and it is up to you to correct those conditions. Take that section of Brazil that I think is the best, from Santos to the south, and there is not an American business house nor American business agency in all that southern section. All of the American trade that is done there is done through Germans and the English. There are various importing houses. They can put there almost any excellent product that you can give them. Cotton goods they will distribute and sell for you, and they will do it in preference to their own goods, because they can sell it cheaper than their own. That is all well and good, but here is where you lose an opportunity. Two years ago, in those Southern States, and, in fact, all over Brazil, the Brazilian Government determined to stimulate rice culture. Secondly, the Brazilian Government put on a very heavy import tax on rice. The consequence was there was a splendid demand everywhere, not only for rice agricultural machinery, but likewise for hydraulic machinery wherewith to flood the rice fields. Now, what happened? You did not have anybody down there, and you have never cared enough for that trade nor for the rest of Latin America to send your men in there under conditions that I mentioned yesterday, the accomplished salesman who has caught the spirit of Latin America and sympathizes with those people, knows their history and their traditions. As the speaker said here this afternoon, you will never trade with a Latin by trying to get the best of him. You cannot drive him any more than you can a Government mule, or half as well. He is a man of splendid sentiment, pride and self-respect, and you have got to meet him on the same conditions that you would like yourself, and treat him as a man, as intelligent, with splendid traditions behind him. You have not done that; in consequence, these German houses, what did they do? They went into Brazil with thousands and tens of thousands and hundreds of thousands of dollars' worth of rice agricultural machinery, and also the hydraulic machinery wherewith to flood the rice fields, and sold them.

DIRECTOR GENERAL BARRETT: Following this intermixture of suggestions, I now have great pleasure in calling upon a man to speak upon a subject that we are all tremendously interested in, and that is, the question of credits. That has been continually coming up in connection with Latin America, and Mr. Green is a great authority on that subject; he is the representative of R. G. Dun & Co. in their foreign department. He has made a special study of this subject, and at the close of his remarks he will answer questions.

ADDRESS OF MR. C. A. GREEN, MANAGER FOREIGN DEPARTMENT, R. G. DUN & CO.

Mr. GREEN said:

The object of this gathering, the frank and friendly discussion of ways and means for the establishing of closer commercial relations with the Republics south of us, the study of the obstacles that may still be in the way, and how they may be removed, has, to my mind, been most admirably carried out.

It has always seemed that we have stood apart from our Central and South American neighbors in a way that was detrimental to the best interests of both, and failed to make the proper effort to get acquainted with them except in spots.

I have great faith in the plan being earnestly advocated before our manufacturers, importers and exporters, that they should visit these neighbors, not only to get to know the business men, but to study the commercial opportunities from the viewpoint of both buyer and seller, that the interchange of commodities might be extended, as is fitting between near neighbors. It is to be hoped that more of this will be done in the near future, as it certainly would be productive of great good.

Much valuable service has been rendered by the Pan American Union under its progressive Director General, Mr. John Barrett, in giving us a fuller knowledge

of these countries, their products and progress, through the Monthly Bulletin, which has stimulated a desire to investigate and learn about the man.

It is the man we must know, and the more we come in contact with the business men of the world the more we must realize that the same ideals of morality and commercial integrity prevail (no one nation has a monopoly of these things) and we begin to realize that there is truth in that old Chinese saying, "All beneath the heavens are one family, all within the four seas are brothers," all being equally desirous of establishing such friendly relations as will tend to develop the best in their respective countries. Furthermore the interdependence of nations is more fully recognized. None can reach their highest development by standing alone.

Among the many interesting and important subjects that have been discussed at this conference, there is perhaps none of greater importance or more worthy of serious consideration than that of credit. Several speakers have already referred to it. It is the great foundation on which all business, national or international, must rest. No great undertaking by nation, state, city or individual can be carried out except by the use of credit.

From the fact that so large a per cent. of the world's business is transacted on credit, and as an English writer has put it, "All the world now plays at shop-keeping," the traders of the world, who desire to trade with the world should each do their part by seeing to it that full information is on file with the leading mercantile agencies, covering all these points, that they may conduct business with each other without undue delay or risk. With a knowledge of conditions they can conform to the trade requirements.

None question the importance of credit in the domestic trade, yet for foreign, many will say, "We must have the cash before we let the goods out of our hands." It is pleasant to have the cash, of course, and you can get it if you have something to sell that the buyer must have and cannot get elsewhere, but this method is not in accord with the modern science of business, where credit is the controlling element.

It hardly seems fair to expect the foreign merchant of good repute to put up his cash in advance all the time. It is all very well for us to say that he takes no risk in doing that, that we will do just what we agree to do. That is exactly the position he takes when he asks from the American manufacturer the same terms that are acceptable to the exporters of other countries. We often seem to forget that there are just as good men to trade with outside the United States as in it.

The foreign merchant finds goods and appliances, tools and machinery advertised by American manufacturers or brought to his attention by salesmen, that may be well adapted to his trade, the manufacturer is anxious to market his product, and while both buyer and seller may be of equally good standing and reputation, still they are strangers to each other and hesitate as to how they shall deal. The foreign merchant may arrange for a credit through his local bank and buy for cash, or if conditions are such that this is inconvenient, and he has taken the proper steps to aid the mercantile agencies in ascertaining his credit standing and resources, then the manufacturer can learn all about his customer as readily as he could that of a domestic concern, and the transaction of business is thus greatly facilitated for both parties.

Permit me to quote the conclusions of Senator Root, who, while Secretary of State, paid a visit to our sister Republics south of us, and on his return, in speaking of trade extension, said among other things that "The American producer should arrange to conform his credit system to that prevailing in the country where he wishes to sell goods. There is no more money lost on commercial credits in South America than there is in North America (and I would say, not as much). It is often inconvenient, disagreeable and sometimes impossible for them to conform to our ways, and the requirement that they should do so is a serious obstacle to trade. To understand credits it is, of course, necessary to know something about the character, trustworthiness and commercial standing of the purchaser."

This is a truth long ago accepted, and in the early days in our own country such information was difficult to get; inquiries by letter were slow and unsatisfactory. We had no fast mail, no railroads, the idea of doing business in New York today and in Chicago, 1000 miles away, tomorrow, if expressed, would have made a man a candidate for a lunatic asylum—if they had any. Traveling agents were often sent by firms to visit and report the conditions and home standing of customers, but the information so obtained was costly, exclusive, temporary, and often unreliable.

After the great financial trouble in 1837 which swept so many business men into bankruptcy and with the slow reorganization of affairs that followed, the need

of some system for obtaining information became pressing, and in 1841 "The Mercantile Agency" was established in New York city (so you see we are just 70 years old this year). How closely the development of this work has kept pace with the growth of the country is well known to you all.

Following the expansion of American commerce, the first branch was opened abroad in 1857; others have been established from time to time till today 68 are in operation outside of the United States, and through these offices and connections information is obtained in regard to the credit standing and responsibility of traders in any part of the world.

I mention these facts to show you that the important question of credit in the development of your trade with the countries south of us, or elsewhere in the world, is one that can readily be met by the use of the same means you are accustomed to use in your home trade.

Our consuls who are doing such effective work, the special agents of the Bureau of Manufactures and the work of the Pan American Union, show you where trade opportunities exist; add to this a knowledge of the requirements of the markets, and the credit standing of those with whom you must deal, and the extension of your trade then becomes a simple problem of salesmanship. Reference has been made to this branch of work several times during our sessions, and I was impressed with the remark of a manufacturer whose goods are sold all over the world nearly, who said there are few salesmen, but peddlers are plenty. It is the salesman and not the peddler that should be sent into the foreign field, but even then I am convinced that we will not succeed in securing that share of the world's trade to which we are entitled, by virtue of our skill in manufacturing, as long as we cling to the antiquated system of cash in advance, which is never an attractive proposition.

With the facts in regard to prospective buyers, readily obtainable before him, the American credit man is as competent to decide the question of credit as those of any other nation, and in these days it makes little difference whether your draft is on Chicago, San Francisco, Buenos Aires or Hong Kong.

Commerce is the life-blood of the nation, and should claim all facilities for the extension and security of its operations.

DIRECTOR GENERAL BARRETT: I am sure that that has suggested a number of interesting questions. Has someone a practical question to ask Mr. Green?

MR. CHARLES H. DANKMEYER, of the Gandy Belting Co., Baltimore: I would like to know what terms of payment German and English firms extend—six months and nine months?

MR. GREEN: Yes, that was formerly the case, but an investigation shows that the credit terms—those long terms are being shortened very rapidly.

MR. DANKMEYER: What are the terms usually extended now?

MR. GREEN: You will find most of the terms are from 60 to 90 days, sometimes a little more than that under special agreement. In that case, you get your interest, of course; you draw your draft at whatever time you agree upon, and, as I said, you can discount it at your own bank just as easily as a local draft.

MR. DANKMEYER: I should like to ask Mr. Green if he has been able to determine whether there is any marked tendency on the part of the German manufacturers to increase the extension of terms to South American buyers?

MR. GREEN: I would say, sir, that there is a decided disposition on the part of manufacturers to meet reasonable credit conditions. Of course, we can tell that through our work and gauge it very closely by the constantly increasing demand for reports on houses in different parts of the world. That is the only reason why these reports should come out so rapidly.

MR. FARQUHAR: There is less loss in dealing with South America than in dealing with almost any part of the world, and final loss is averaged as low as about one-tenth of 1 per cent. of the total amount of sales in South America.

MR. GREEN: Permit me to say, in connection with that remark of Mr. Farquhar's, just a few days ago I was chatting with a gentleman much in the same position as Mr. Farquhar, and that question came up, and the senior of the firm called in his son, who takes care of the finances, and asked him what was the proportion of the loss in foreign trade. He thought a minute, and he said, "Father, it is so small that I do not know how to figure it." He simply got his information about his people. He knew who he was dealing with.

MR. FARQUHAR: I might like to remark, in that connection, that we are selling firms in every large city in Latin America, and only one or two ask for 60 or 90 days.

MR. GUMPERT: I want to know whether the terms of 30, 60 and 90 days commence when the goods are shipped or when the goods arrive.

MR. GREEN: Usually from the date of shipment. Sometimes, where there is a long voyage to be made, an extra month is added on the total time of the draft.

MR. KRAUSZ: Mr. Green, do you know anything about the laws covering the protection of foreign credits and the values? This is a question which frequently comes up in the foreign trade.

MR. GREEN: On that particular point I would prefer that Mr. Purdie, who will speak to you tomorrow, should answer that question. Mr. Purdie has been right in the heart of it down there.

MR. WILLIAMS, of the Pittsburg Chamber of Commerce: Can credit information in Latin America be easily obtained, and if not, how much would it cost to go down there and go about getting it?

MR. GREEN: That is good shop talk. I will say to you, sir, that the best way to get that is to do just exactly as you do in your domestic service—have a subscription for the foreign service. Then you can get your information in regard to business houses anywhere in the world, it does not matter where.

MR. BLOOD: I would like Mr. Green to tell us what facilities R. G. Dun & Co. have for getting rapid returns from Latin America?

MR. GREEN: I would say, sir, that there is not a center of South America that is not covered by our own men, and if it happens that information is not on file in New York it is just a question of mail or cable to get it; but we find in our actual working out of the proposition that we are able to answer at once fully 80 per cent. of all the inquiries that come in from the business houses.

MR. FARQUHAR: Do you answer the other 20 per cent. if cable charges are paid?

MR. GREEN: If important questions are required, we cable at your expense.

DIRECTOR GENERAL BARRETT: Mr. Green, we are very grateful to you.

Gentlemen, I congratulate you that you are going to have an opportunity of hearing a few words from James W. Porch of New Orleans, who has come here especially to say something with reference to our trade of the Mississippi Valley as related to the Panama Canal. It is a great privilege to have Mr. Porch here.

ADDRESS OF MR. JAMES W. PORCH, EXPERT ON PANAMA CANAL

MR. PORCH said:

Mr. Chairman, Ladies and Gentlemen: When Senator Pasco, United States Senator from Florida, and Professor Johnston, of the University of Pennsylvania, were sent to New Orleans to study statistical data and facts looking towards the Trans-Isthmian Canal, several years ago, and even before the United States Government had determined upon the route, I was chairman of the committee that looked up the statistical facts, and I got sufficiently interested in the matter to continue with it ever since, with the idea, if possible, without personal gain to me of any kind or character, to see to it that when the Canal was finished we would have a respectable portion of the trade to go through it.

In order to make the record right, I want to say that today I am speaking for the Progressive Union, with 1700 members, of which I am President; I am speaking for the Board of Trade, whose credentials I brought to this Convention, and I am also speaking for the Merchants and Manufacturers' Association, which, under the triune, largely controls and dominates the whole situation in the world.

In our recent effort to have the exposition in New Orleans, we called it the "logical point." With my firm point of view I always called it the "logical port." I always regarded it as something we needed to use, rather than to celebrate, and I regarded the expenditure of \$500,000,000, more or less, in the Panama Canal, as a thing that immediately concerned the Mississippi Valley, of which we are the gateway. Forty-seven miles across the Isthmus of Panama we have changed the trend of the commerce of the world; 1380 miles from that point is New Orleans, with 35,000 miles of navigable waterways washing by its doors, reaching the greatest and richest valley in the world.

In this investigation I realized that we, as the custodians of the Mississippi Valley, were obliged to give an account of our stewardship, and that we would have to give a record of the faith that was in us and show we were worthy of being the cus-

todian of the Mississippi Valley. Therefore, we started in and we did something that no other State in the United States has done. We passed a constitutional amendment on the last day of November exempting American freights 15 years from the time of the start. We realized that it takes concentration of purpose and effort in order to get the trade.

We are after the small shipper, and want him to get interested in the great trade of South America. We want the trade, and I do not care what anybody says, I yet reiterate the fact that commerce does follow the flag, and you never knew it to go any appreciable distance in advance of it; you have to build up the civic effort, and you have to have continuity of that. We want to carry the commerce into South America, and we will intensify and build up and broaden the Monroe Doctrine. The Monroe Doctrine, since 1823, has been the predominating principle in the commercial relations of the western continents, and yet we have not taken advantage of it, and have not treated our brothers as brothers in the building up of the commerce we want to have. Somebody said today, "Don't send peddlers to the South American country, send merchantmen or send commercial missionaries that can do the work," and I tell you that the commercial missionaries who can do the work will do it when you put "Old Glory" at the front of the ship and put her out of the port upon a regular, dependable sailing date.

We carry 47 per cent. of the imports of the Mississippi Valley through New Orleans. We bring in from Brazil 11,000 tons of coffee every month on an average per year, and yet send practically nothing back. The great country of Brazil shipping their commodities as they do to the Mississippi Valley, and we, in turn, sending ships out of the port of New Orleans from the center of population, from the center of wealth, from the center of manufactures, from the center of the farm products, in ballast to go elsewhere to load to go back to Brazil. It is not a decent account of our stewardship; it shows lethargy and indifference, and it is going to be cured, and the legislation in Louisiana that we got through on the 8th of November is the thing that will start an American German-Lloyd. What would Hamburg be without the German flag? What would Liverpool and London be without the English flag, and what would seaports be without the American flag? Why, it has been said over and over again that we cannot build our ships and compete with the foreigner. I am in the iron and steel business, and I have made it a study to get the facts together, and I want to ask you how was it that we built the Cape-to-Cairo Railroad in Africa? How was it that we built some of the men-of-war of Japan? How do we send our locomotives all over the world, which are considered the very best, and the finer grades of machinery of every kind; the sort that represent the most skilled of skilled labor, to every part of the world? It is simply because we make them better than all the world. No shipyard can equip itself and get ready to handle the building of merchantmen unless they get sufficient orders to make it worth while and get the cost where it ought to be. But I have reliable information from John H. Trenton, of the *Iron Trade Review*, that five ships in a shipyard in this country can be turned out at a cost as low as they can be in any shipyard in the world. It is simply a matter of getting busy and proving the fact that we can do as well as the world can do. I remember when they said, "You cannot make tin in the United States, because it can be done cheaper abroad," but today in this country we are making tin and shipping it to markets that before were not thought of.

I heard somebody say here that if Japan could pay \$12 a knot subsidy, I believe he said, that we should let Japan do the commerce on the Pacific. He forgot what Galusha Grow said, "That the Atlantic is a German, an English and a French ocean, but the Pacific sea, washing the shores of the nationalities of the far eastern world, having 500,000,000 people, will be known as an American sea." And that was said before Japan got awake, and when we regarded Japan as being in its swaddling clothes, and today the spectacle confronts us that when the canal across the Isthmus is finished the Japanese flag will fly over the commerce of the United States. Why, we should set forth every effort of the brain and brawn and capital that we possess to check an effort like that, and never permit it. There is no reason in the world why, when we build the canal, as it is to change the commerce of the world, that we should not be in a position to use it. Do you suppose the Suez Canal would be owned and controlled by England if they did not use it and take advantage of it and develop their commerce?

Let me tell you something about the canal in the handling of cargo. Just as soon as we are not in a position to take care of the small shipper the canal will be of no possible avail to us. It will be simply the matter of the aggregation of "bulk car-

goes" that will be manipulated by the foreign steamship owners in London, Liverpool or some other foreign port, and he will use the ports of the United States as a facility to bring his business through the canal with no dependable growth in the respective ports from which these ships sail. If we want to use that canal, we want to act along the line of having dependable, settled, satisfactory sailing dates, and let it be known as dependable, regular as a railroad train, and that on 11 o'clock on the date of the sailing, or whatever hour, it will depart; and not only that, but the freight never brings the people into the point where you want to trade. People buy where they travel, and travel where they buy. You do not do business with strangers. You have to become acquainted with them in order to do business in these modern days, and if you cannot get people to traveling through the United States from these far countries, and especially from the country that I love, that wonderful country of Brazil—if we cannot get in touch with them and get directly and personally acquainted with them, we never can hope to get any large percentage of their trade.

Do you know that the facts show that 60 per cent of the people of the United States live within 25 miles of a seaport? It is a startling statement, but it is true. If it is not true, the Department of Commerce and Labor has made a mistake. The trouble is that we have been so busy at home that we have not looked up the matter of our foreign trade as absolutely necessary to us. If it is not necessary now, the day is coming when it will be more than necessary.

I heard a lecture on Brazil the other night at which a man said that he believed that in the centuries of the world the last busiest 50 years were in the United States, but he said that he believed that the next busiest 50 years will be in South America. And do you mean to say that we can ignore a condition like that and not follow it along intelligent, connected-up, logical lines?

Now, then, the only way to do it is to have the patriotism and the effort back of it. It is along that line we need to get together, and it is my intention to use the public exchanges of the valley of the Mississippi and put on a line we own and control, whose home port will be a dependable one, whose sailing time will be dependable and certain, and that will carry passengers and express matter and take advantage of the just and first-class shipping tax which I hope ultimately will be passed. I thank you.

DIRECTOR GENERAL BARRETT: I am sure you all enjoyed that. Let us have questions now.

QUESTION: How much is the Mississippi River used in actual transportation from the cities and towns along the Mississippi from New Orleans?

MR. PORCH: Well, I could not give a percentage, but nothing in proportion to the way it should be. The United States Steel Corporation are building steel barges with the idea of barging down the river and carrying heavy cargo back and forth to the gateway. Ultimately I expect to see that done. The freight rate now prevailing on steel articles out of Pittsburg is 30 cents. They made public declaration in New Orleans they would make steel rails 14 cents, a cut of 16 points, or \$3.20 a ton, which is a very important item.

MR. GRAY: I felt alone somewhat until my friend got up and made that speech. Would you mind telling me just how long you anticipate you would have to run your steamship line at a loss before it would be gotten on a paying basis?

MR. PORCH: I am glad you asked that, because, do you know, when we started to talk about the line, in answer to your question, there were three commodities that were offered that gave cargo—staves, lumber and case oil to Brazil.

The idea of this effort is to put on a line to Brazil and the east coast of South America as soon as we can get ready, as against the day when the canal is opened, and with that idea right before the Panama Commission we can send the first American merchantman through the canal, and when she is bound through, then say to the commercial centers of the world: "This is our exposition."

MR. CHAS. F. WILSON, Secretary of the Board of Trade, Fitchburg, Mass.: I want to ask Mr. Porch what is the reason such an admirable speech as that could not be put into a tract form and circulated by the thousand and million, and try and convince some of our people who make the laws that we need a new law?

MR. PORCH: I thank you very much indeed. I want to say this——

DIRECTOR GENERAL BARRETT: We want you to amplify the address, but we cannot afford to publish millions of copies.

MR. PORCH: We have several people in Brazil, in South America, Central America and New Orleans, and they are going to Argentine also, and come up the Pacific side. The idea is to make an arrangement by which the man who lives in

St. Louis or Kansas City, or any point on the Mississippi Valley, cannot only ship his material through the means of a direct line like this, but he can take a draft and bill of lading and go into his bank and transact his business. It is absolutely absurd to have to pay to New York for a New York draft.

MR. WILSON: It is more absurd to pay it to London.

MR. GORHAM: I would like to ask Mr. Porch about the manning of the steamers, obtaining seamen and firemen. Would it be feasible to obtain them in South America? The matter would be this: I hope you know—I am a Republican, living in a Democratic State, and they all know it, and therefore I am not afraid to tell it now. I hope that they will revive the bill of March 3d, 1891, and simply cut two knots off. That is all there is to the Gallinger bill over the old bill, and give us steamers of 16 knots capacity, and then we will build some steamers. I took this project to one of our own shipbuilding men, and you can talk about the fact that you cannot carry this out. He said: "I will take 60 per cent. of the undertaking." I said: "Put it in writing."

MR. LOWE, of New York: I would like to ask as to the subsidy bill up before the House. I called for a copy of the bill, and the word "Trade" was stricken out of the Gallinger bill. The subsidy was to be mails, freight and marines, and what we want in New York city as exporters is cheap freight rates to South America, but they want a subsidy to carry mails and marines.

MR. PORCH: I do not care whether they need mail or whether they do not, they are paying it under the bill of 1891, and they are carrying the mail, and Mr. Gallinger's speech states that if the Brazilian line were put on out of the port of New York at \$4.60 it would yield to that line four hundred thousand dollars. That would enable us to start, and without it we could not. Of course, if those ships were built as Mississippi Valley freight steamers, they would be able to own the modern American lines with the idea of being in such a position as to avail themselves of any ship subsidy or mail subvention bill that might be passed.

QUESTION: What preparations are being made in New Orleans for dockage? I have never been in New Orleans.

MR. PORCH: When we went before Senator Burton for three hundred thousand dollars to revet the third district in New Orleans, he wanted to know about our public utility, and I said, "We have, first, the public levees, and on top of these we have public wharves that the State own, an adequate public belt line service," and he said he was very glad to know that one great seaport in the United States was conserving its franchises along the lines of permitting everybody to use them. It is a most unique condition in any port in the United States—in fact, I think in the world.

DIRECTOR GENERAL BARRETT: We are very grateful to you, Mr. Porch.

Now, within three or four minutes past we have heard from two very interesting men. I am going to call on Mr. Fowler, of W. R. Grace & Co., who is chock full of stuff about export and import trade.

MR. FOWLER: You have taken me unawares. You promised us that we should get away from here at 5 o'clock. You must keep your own promise. Allow it to go until tomorrow morning.

DIRECTOR GENERAL BARRETT: Here is the opportunity. We have got Mr. Root coming on tomorrow, and others, and we do not know when we will get through. When we have a man like you we want you right up here, although I would be only too glad to have you in the morning.

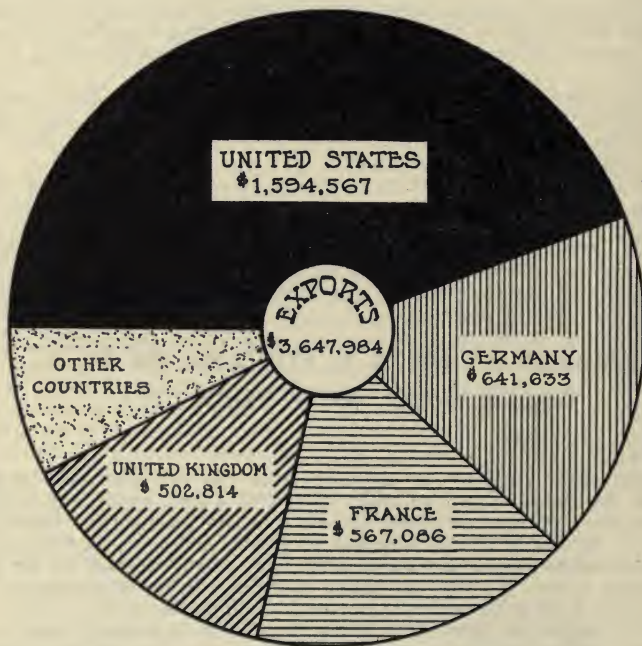
REMARKS BY MR. J. F. FOWLER, OF W. R. GRACE & CO., NEW YORK CITY

Mr. FOWLER said:

Gentlemen, I am going to say just a few words to you from the standpoint of a merchant in the South American trade, with first a long experience at the New York end and subsequently a residence of nearly fifteen years on the West Coast of South America; primarily in the purchase of goods, and then, in both Chile and Peru, in the management of a leading firm there especially devoted to the importation of American goods. So I've had ample experience in the pleasures, as also the manifold troubles, of both the exporter here and the importer there.

There is a vague idea here that all South America is tropical; that the palm-leaf fan and the midday siesta are general there; but let me tell you that my business

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day in Valparaiso was just as strenuous and long, if not even more so, than in New York, for it is an active center in both cabling, telegraphing and steamship movements. Valparaiso is just about the same distance south of the equator as we here in Washington are north, and central Chile is a veritable land of fruits, flowers and vegetables, with a glorious climate that is practically a counterpart of what California enjoys. To the north there is 700 to 800 miles of arid country which depends upon the central region for all its provisions, and to the south, at Punta Arenas and the Strait of Magellan, we find the snows and ice of winter.

Now, there is no mystery in the export trade, but I would remind the manufacturer that he must be prepared to use more care, and carry a little more responsibility, than in our home trade.

We have heard complaints about the rough finish of American machinery, of which it is pleaded, however, that this means no real defect in efficiency. I have seen new machines in which the rough castings had been filled up and then smoothly painted over, only to have the filling material knocked off by some contact and the machine then left so scarred that it was by no means an easy seller. I quite appreciate the argument that it is unnecessary to piano-polish the off-side and non-working surfaces, but who among you manufacturers would be content to have a tailor send home a new coat with the lining unfinished and accept his contention that the coat would nevertheless look as well externally and wear just as well? You would surely send it back, and you must not forget that a customer would prefer to buy from you a well-finished machine.

Do not imagine that the consumers there make their purchases on sentiment. Price and quality decide them regardless of nationality or origin of the goods. A woman who sets out to purchase a sewing machine does not care whether it is of American, British or German make, but strives to get the most for her money. When you talk so strongly of converting those people to our American ideas, why don't you begin by converting your own wives and daughters to American fashions instead of those of Paris?

We have had considerable allusion to the packing of goods, in which connection I wish to say that a wholesale complaint against the American manufacturer is unmerited. But there are exceptions, and I want to say a few don'ts to you:

Do not use second-hand packages. I have seen such arrive alongside steamers at New York and Brooklyn in such wretched condition that they are already under suspicion, and no transportation company could be expected to sign for same as in good order.

Do not use old boxes which carry several marks. At destination it is impossible for the custom-house people to distinguish which mark is really intended.

Do not advertise on the outside such articles as patent medicines, fancy soaps, boots and shoes, leather, etc. It is a standing invitation to loot the packages.

Do not forget that in the home trade your shipments are always freighted at so much per 100 pounds, whereas the ocean rates are mostly on cubic measurement. I have seen too many instances of fragile packing, just to save on the gross weight, yet with utter disregard for bulkiness, or the many inevitable rough handlings in transit of packages, which should be purposely designed for export.

Do not forget that in most South American ports the discharge from steamer to open lighter and from lighter to shore has to be effected on rough seas.

So pack accordingly, in which connection I would remind you that most American manufacturers make no open or special charge for packing. Much better to pack well and charge fairly for it. The much-vaunted packing of European manufacturers is charged up, and often quite heavily so, but always new packages.

The consignee much prefers to get his goods on time and in proper condition. Recourse to claims for pecuniary damage, which are invariably disputed, is no satisfaction. Better start in by giving him good service under reasonable charges. If any claim arises it will be the same, whether packing is charged for or not.

As to banking facilities, do not be afraid. There are certainly 20 banks in New York alone with open doors and eager to afford you facilities if you are worthy. Your drafts can be discounted at 6 per cent. per annum, which is not an unreasonable rate, and collection charges would vary from one-eighth to one per cent., depending upon the remoteness of the collection point. I don't think that you can complain of such terms as an obstacle to export business. That the handling of such collections in pounds sterling means a loss to you is not true. If you hold a bill of exchange for £1000 on London, the New York bank stands ready to purchase same at the current rate of exchange.

Turning to the charts on the walls here, which so graphically exhibit the trade of the various countries. The Argentine is an example where that country buys from us about three times as much as we purchase from her; but Europe buys her produce, and London thereby becomes the international clearing-house under what is practically instructions from the Argentine importer to pay the American exporter the balance due him. We cannot expect trade to be wholly one-sided, and at that always in our favor. At present we buy nothing from South America that we have not got to buy there.

I have been astonished to hear such frequent assertions that we lack steamship facilities to South America. A reference to the advertising page of the *New York Journal of Commerce* any day of the business year will find 30 to 40 steamers announced as loading, or about to load, for the whole range from the Amazon River down the East Coast and around to the West Coast of South America, and the freight rates are as low as and frequently much lower than those from Europe. As examples of rates that ruled in 1910, I would state that steel and such heavy goods were being carried to Brazilian ports, a distance of 4000 to 5000 miles, for 15 cents per 100 pounds and upward, compared to which a gentleman in the audience here has just replied to my question that the rate on steel products from Pittsburg to New York is 10.5 cents for a distance of only about 500 miles. Shipments to the River Plate, a voyage of about 6000 miles, were carried at 16 to 20 cents; to Valparaiso, over 8000 miles, for 20 cents, and to Callao, nearly 10,000 miles, for 25 cents. So I think you will realize that the ocean rates are really very low and quite competitive with Europe.

DIRECTOR GENERAL BARRETT: I want to call particular attention to this, because the firm which Mr. Fowler represents is perhaps doing the largest business of any firm in that part of South America, and has been for 50 or 60 years—W. R. Grace & Co.

Those remarks are very valuable.

I want you to ask Mr. Fowler a few questions, because you can see he is chock full of information.

MR. WILSON: I want to ask Mr. Fowler with reference to the lighterage on that coast, and comparative charges with the freight to the same point.

MR. FOWLER: The charges vary according to the different ports. If you could take the port of Iquique, the steamers will discharge about three miles off shore, where there is nearly always a heavy sea running. The cost per ton in that port will be more than in the port of Valparaiso, where they do not have so much bad sea. Ordinary grades of merchandise are handled at rather low rates, but when you get up to dry goods and valuable goods where there is more responsibility and more care is required, watchmen have got to be on these lighters and the charges are higher.

MR. WILSON: About how much is the lighterage per ton on dry goods in Valparaiso?

MR. FOWLER: The charges vary again. Let me explain to you. The currency of Chile fluctuates, and the charge which six months ago might have been one thing, six months later would be another; the value of the money coinage may vary it somewhat. But I would say the average charge in Chile is about a dollar a ton. It would range from 60 cents American gold per ton up.

MR. WILSON: How much is it at Antofagasta?

MR. FOWLER: At Antofagasta I would say twenty-five per cent. more.

DIRECTOR GENERAL BARRETT: There is one point Mr. Fowler did not bring out, and that is very interesting for this Conference to hear. Is it not true that a few years ago great losses were suffered by the bankers and by the merchants of Chile on account of exchange fluctuation?

MR. FOWLER: Yes, sir.

DIRECTOR GENERAL BARRETT: And that in spite of those losses scarcely a failure occurred in the country; that they met their obligations faithfully and honestly in the face of very adverse circumstances.

MR. FOWLER: They did remarkably well, surprisingly well.

MR. WM. T. WEST, of the Grosvenor-Dale Co., Providence, R. I.: We must make an honest profit, and therefore necessitate marking goods under mill marks, and is not that a serious handicap, and must we continue or abandon it?

MR. FOWLER: Every day in the week I am buying both ways, mill marks and private marks.

MR. WEST: Does the mill mark interfere with our getting more trade?

MR. FOWLER: No, sir.

QUESTION: Is there no advertising value of a lithograph on the outside packing of the goods? I should mark agricultural machinery; they are not going to pilfer that, and there is no harm—but when it comes to some of these things which are inviting to the laborer?

Does not the stencil or the lithograph acting as an advertisement more than offset the risk of loss?

MR. FOWLER: Depending upon the goods.

QUESTION: Mr. Baker tells us that the Germans very heavily subsidize ships on the Pacific. Is that getting in on the west coast there of South America?—Then, if so, is it against Americans?

MR. FOWLER: The Toyo Kisen Kaisha, the Japanese line running from Hongkong and Yokohama and San Francisco, made the experiment five years ago of starting a line to Peru and Chile, with departures about every sixty days. They came out almost empty, except for carrying some laborers—they went back nearly empty; but after about a year they began developing the nitrate of soda trade, which formerly went to Japan by sailing vessels. Nevertheless, after about a year's struggle, they gave it up entirely. Then after about a year and a half they resumed again, and are now running, heavily subsidized by the Japanese Government, and going down as far as Valparaiso, with departures about every two months. The home cargo was almost entirely nitrate of soda, and from Peru, sugar.

MR. WILSON: Do you know how heavily subsidized that line is?

MR. FOWLER: I would not like to say positively, but I think they have something like thirty thousand pounds sterling in a year.

DIRECTOR GENERAL BARRETT: Thank you. This is very interesting. Mr. Fowler will be glad to answer any questions which may be asked him.

I am going to call on Mr. Bunker of San Francisco. We heard from Mr. Porch of New Orleans. This has nothing to do with the exposition. I called Mr. Porch because he is a great authority on matters down there, and that was not in my mind at all, and Mr. Bunker has been the representative of the San Francisco Chamber of Commerce here a long time in Washington, and has traveled around the world and has made a point of favoring us here.

ADDRESS OF MR. WILLIAM M. BUNKER, OF THE CHAMBER OF COMMERCE OF SAN FRANCISCO

Mr. BUNKER said:

Director General and Delegates to the Pan American Commercial Conference:
As the representative of the Chamber of Commerce of San Francisco, I am pleased and proud to find myself in such admirable and informing company. In intelligence and integrity of purpose this gathering surpasses any previous similar assembly I have ever known. With all due respect to the prescience of the Director General of the Pan American Union, I think that in laying the foundation for this wholesale exchange of commercial ideas he built better than he knew. You have considered and are considering the Panama Canal in detail and from the points of view of your respective regions. My purpose is to indicate the scope of the Panama Canal from the world viewpoint.

The Panama Canal is an American triumph. In a broad sense it is a Pan American triumph. The sympathy and support of Latin America have counted for much in canal construction. The opening of the canal will be a world event. The world view is in every angle of canal approach. Therefore, every canal issue concerns the world. He who would have a wide horizon must bear these facts in mind. The first canal idea was based on the European need of a short cut from the Atlantic to the Pacific—simply this and nothing more. Today the whole world needs and will use the canal. I say this after having rounded the world twice and after having studied trade currents in the highways and the byways.

For years, and until recently, it was thought by many that trade and transportation in the zone between and including Hongkong and Suez—a zone over 6400 miles wide—would not be affected by the Panama Canal. This because the distances from Calcutta, Bombay and Singapore to New York are respectively shorter from 4500 to 7000 miles by the Suez than by the Panama route; and also for the reason that the distance from Hongkong via Yokohama and the Panama Canal is only 378 miles shorter than by the Suez route. With a distance of only 378 miles involved in a passage of 11,580 miles, it did not seem likely that a strong current

of trade would be deflected from its old and fixed course. Looking at the tables of comparative distances there seems to be no temptation for steamers to use the Panama Canal in passing between New York and the ports of Calcutta, Bombay and Singapore.

By the Suez Canal		Panama Canal via Yokohama	In favor of Suez Canal	In favor of Panama Canal
	Miles	Miles	Miles	Miles
Hongkong to New York..	11,580	11,226		318
Calcutta to New York....	9,795	14,332	4,537	
Bombay to New York....	8,153	15,152	6,999	
Singapore to New York..	10,141	12,702	2,561	

When you grasp the fact that the passage from Bombay, India, to the port of New York by the Suez Canal is practically 7000 miles shorter than by the Panama Canal, you naturally think no more of India in connection with the Panama Canal. But there is another thought due you. The canal is for the world and the world is bound to use it. And remote India is of the world. And so are Colombo, the Straits Settlements and other equally remote countries. Commercially, these countries are very much of the world.

I have shown the remoteness of India from the Panama Canal and that with practically 7000 miles in its favor in the passage from Bombay to New York the Suez Canal would naturally be assumed to have an enduring preference over the Panama Canal. Such is not really the case. In the final reckoning the canal toll will determine the currents of transportation and will affect the current of trade. While at Delhi, Northern India, a few months since, I met a merchant of Amritzar, a city of 162,000 people, 317 miles North of Delhi. It is the center of the Kashmir shawl industry and the rate-making base for goatskins. As India is one of the largest, if not the largest, exporters of goatskins, the commercial importance of Amritzar will be readily understood. Amritzar is the rendezvous for traders from Afghanistan, Persia, Tibet and other countries of Central Asia. The Amritzar merchant introduced the subject of the Panama Canal and was eager for facts and figures. He said that in common with other East Indian merchants he was watching canal work. The merchants hoped to increase their trade with the Americas through the use of the new canal. One of his own lines, goatskins, was likely to be affected by this new route. Ninety per cent. of the goatskins produced in India are shipped to Boston, where they are used by the shoe factories of New England. The skins are now sent via the Suez Canal. Favoring charges by the Panama Canal would increase the trade in this and other commodities.

While the Latin America product will have a new influence on this skin trade, the significance of the East Indian incident is worth considering. If it be true that the human race was born in the Himalayas, the canal traffic will rock the cradle of the world. What the canal may do for Central Asia is a trifle compared with what it will surely do for those regions on the Pacific shores of the Americas that are today in a state of arrested development. Latin American valleys and mountain slopes, rich in natural resources, yet today debarred by economic reasons from sharing the progress of the world, will certainly be brought into favoring prominence through the new transportation facilities furnished by the canal. To fulfil its destiny the canal must and will bring the American flag into your waters on American ships.

In view of the world interest in the canal, in view of the supreme interests of the Americas in this oceanic waterway, the canal toll is a pressing issue. While Section 6 of the measure now before Congress authorizes the President to fix the canal charge on registered tonnage at from fifty cents to one dollar and a half per net ton, American measurement, we may assume that the President will at first fix the charge of one dollar per net ton.

The one dollar rate is much lower than the present Suez toll.

The charges of the two canals in the event of the passage of the measure will make this comparative showing:

Suez Canal Charge.

Per net ton of 60 cubic feet (as per Danube measurement)..... \$1.75

The Danube measurement ton is practically five-eighths of an
American measurement ton.

Proposed Panama Canal Charge.

Per net ton of 100 cubic feet..... \$1.00

This charge is based on registered tonnage, as in the case of
the charge made by Suez.

The question of canal toll is obviously pressing. All kinds of enterprises in nearly all parts of the world are today being considered with respect to the canal. The authorities are receiving many commercial inquiries regarding canal prospects, plans and charges. First and foremost in number and importance are the inquiries about charges. In many instances the demand for information is from steamship owners who must have at least eighteen months advance notice of the canal opening in order to safely and sanely plan their inter-oceanic transportation ventures.

The greater the tonnage through the canal the more numerous and varied the transportation facilities for those portions of the Americas reasonably near the zone. The influence of such facilities is not an asset of the countries about the Suez Canal for the reason that those countries are usually barren and barbarous. In this favorable contrast we see another reason for the largest and speediest use of the Panama Canal. And let us not forget that in our common, direct interest in the canal we see the necessity of close and cordial co-operation by the people of the Americas. If I had almost said peoples it is because I had forgotten that by a strange paradox the canal that severs the strip connecting North and South America really brings the Americas into closer communion and will keep ever fresh a mutually beneficial friendship. But yesterday we were peoples. Today we are people. The canal blends into a common whole our hopes, our aspirations and our moral and material interests.

As a logical sequence to the opening of the canal the American flag will float over vessels carrying American freight. The nation will have such a humiliating object lesson in the canal procession of foreign ships that the people through very shame will insist on the creation of an American fleet of off-shore steamers.

Between San Francisco and New York the Panama Canal shortens the ocean passage 7784 miles. These are eloquent figures. But there are others. The saving to San Francisco on the passage to European ports will be:

San Francisco to Liverpool.....	5,660 miles
San Francisco to Naples.....	4,888 miles
San Francisco to Hamburg.....	5,494 miles

Naturally foreign nations associate San Francisco with the canal. The impression has long prevailed that San Francisco would necessarily rank as the canal city of the Pacific. A popular impression is as potent as a fact. All nations know San Francisco and California, and all associate them with the canal. Excepting New York, no other American city is as well known abroad as San Francisco. Therefore, no other city has the same publicity value. This publicity was born to live. It was achieved through the romantic golden era, through the scenic attractions of California, through the amazing products of the state, and finally through the partial destruction and the heroic restoration of the city. In three days of April, 1906, San Francisco unwillingly invested several hundred million dollars in a fire that in a publicity sense illuminated the world. In the following four years the city invested several hundred million dollars in reconstruction and betterments. It cost several hundred million dollars to suddenly arrest the attention of the world. It has cost several hundred millions to hold that attention. Whatever the circumstances attending and following the April disaster, the city became the best advertised place on the globe. The San Franciscans eclipsed the world record for local improvement. They set a new pace for human endeavor. They standardized sentiment. Praised by the practical people of every country, they also caught the popular fancy. Their work was watched not alone by the Americans and foreign business men, but by the countless millions who have no interest in trade, commerce or construction and who are simply known as the masses. These people, one and all, are naturally eager to see the city that stands on the site of the city that was. The seventeen-and-one-half-million-dollar guarantee that the Panama Pacific International Exposition will be properly financed abundantly testifies to the ability and the sincerity of the San Franciscans. But it should be borne in mind that in addition to this guarantee, and aside from the ample housing facilities of the city, aside from the climatic ad-

vantages, aside from the contributing attractions of the Yosemite, the Big Trees, the red wood forests, the picturesque mountains and the rich and inviting valleys of the State, San Francisco enjoys the measureless advantages of a billion-dollar investment in publicity.

The brilliant, beautiful, record-breaking reconstruction of the city was due in part to the pluck and intelligence of the people. The fourth commercial city in the United States, according to the custom house statistics for 1910, with annual bank clearing exceed two billion three hundred million dollars, the city was, of course, equipped for its great work. That goes without saying. To do this work quickly, artistically and substantially called for qualities of the highest order. It was not merely the pluck, perseverance and pecuniary power of San Francisco that proved so potential. While these qualities were essential, two others were equally indispensable: Intelligence and taste. These were words to conjure with. The splendid solidarity of San Francisco counted for much, but that was not all. For years every great art center has had its California colony, a group of men and women, usually graduates of local schools, colleges or art institutes, studying the liberal arts to practical purpose. These students, these men and women have elevated the artistic taste of the community. Hence the elegance of the restored city. Hence the beauty of the new buildings. Hence the tributes to local architecture from the architects and architectural organizations of the leading countries of the world.

In creating and conducting the Panama Pacific Exposition San Francisco will utilize the pluck, perseverance, intelligence, high ideals and artistic taste already shown in reconstruction enterprises. The San Franciscans will again stir national pride and astonish the world. And finally they will interest and entertain the visitors already familiar with the fascinating history of the city and who simply await the Exposition call. Among the most welcome visitors will be those from the Latin republics. Among the most important subjects discussed by the various congresses will be the influence of the Panama Canal. And assuredly among the beneficiaries of the broad and comprehensive discussions none will outrank the people of Latin America.

Californians count on the most intimate relations with their Southern neighbors. These relations are insured by the added transportation facilities that will stimulate nearly every form of agriculture and industry in Latin America. The Panama Pacific Exposition will, in a sense, be a Pan American Exposition. It must be this to have the proper canal coloring. You of Latin America will have an opportunity to mirror your products to the assembled millions and gather the fruits of a world-wide publicity. You will be able to see that the trade interests of your respective countries and those of the United States, and all the dominating interests of the two Americas have a common cause in all that makes for peace, progress and prosperity.

FRIDAY FEBRUARY 17—MORNING SESSION

The Conference was called to order at 9.45 o'clock A. M. by the Director General.

DIRECTOR GENERAL BARRETT: This morning the exigencies of the situation require that we should call on Doctor Rowe early. He has to appear before the Pan American Committee of the United States a little later in the morning, and he has therefore consented to come on at this point of the program.

I have great pleasure in introducing Doctor Rowe. Doctor Rowe was chairman of the United States delegation to the Pan American Scientific Congress in Santiago, a member of the United States delegation to the Rio de Janeiro Conference, and has made a very careful study of Latin American affairs in all parts of Latin America from Mexico and Cuba south to Argentina and Chile. We are very fortunate in having him here this morning.

ADDRESS OF DR. L. S. ROWE, OF THE UNIVERSITY OF PENNSYLVANIA

Doctor ROWE said:

Mr. Director General, Ladies and Gentlemen: I may say, by way of preface, that I refrained from expressing any opinion on our trade relations with Latin America until I had resided for a period of five years in different Latin American countries and until I had completed two extended tours through the countries of South America, one covering a period of one and a half years and the other covering a period of eleven months. I then ventured some comment on the methods of American manufacturers in attempting to secure a hold on the Latin American markets, and I was rather surprised at their sensitiveness at the statement of facts which are evident to anyone after a few weeks' stay in a Latin American country. I began to feel not only that the American manufacturer did not appreciate the methods that have to be pursued in those countries, but that he did not appreciate the vastness of the field, the vastness of the opportunity which these countries present. It has probably been pointed out to you in the course of these sessions that there is a marked, a fundamental, difference between the Latin American markets and the much-vaunted markets of the far East.

It is evident to everyone who studies the far East that it is only a question of time, a question of comparatively short time, when the cheaper labor and the cheaper means of production, the marvelous imitative power of the far Eastern peoples, will supplant the Western products, enabling them to produce much of that which we produce at a lower cost. That has been our experience in Japan; that is going to be our experience in China, for all these countries present the requisites for a vigorous industrial development. For many years to come most of the Latin American countries will be primarily agricultural. Few of them present the conditions necessary for great industrial development, and they therefore offer to the American manufacturer not only a large present field, but a permanent field and one of growing opportunity. It is therefore worth our while to make a temporary sacrifice, if such sacrifice be necessary, in order to acquire a hold on this market. To effect this purpose, however, it is not sufficient that our products be better or that they be offered at a lower price. The Latin American trade is not to be secured merely by saying to them, "We have a product which we consider better than the French or German or the Belgian," or "We have a product that we can offer at a lower price." The market must be carefully and systematically canvassed through a serious and sincere attempt to understand the peculiar wants of the people of these countries.

There has been a great deal of criticism of the American manufacturer, and much of that criticism is justified. I yield to no one in my admiration of the enterprise, the energy, the initiative of the American manufacturer. But it is also true that when you meet him in Latin American countries he seems to show a helplessness and lack of perspective which is in marked contrast with his methods at home.

It is true, and, whatever we may say to the contrary, I do not believe we can escape the fact that in most cases we do not produce exactly the kind of thing which they want, and if we do produce it we are not willing to let them have it on the same conditions that other countries offer.

My first plea, therefore, is for greater adaptability, for a perspective that will embrace the next twenty-five years, and will enable the manufacturer to picture to himself what these great countries will offer to him in the near future. It is not a question of procuring a profit this year alone; it is a question of laying the foundations for trade opportunities which, within a comparatively short time, will outlive those of any other section of the world.

We need not concern ourselves very seriously with reference to the purchases that we are to make from these countries, because in many cases those purchases are increasing and will increase with each year. We take from Brazil the greater portion of her coffee; as our agriculture becomes more intensive, we will take from Chile an increasing amount of her nitrates. We will take from Peru each year an increasing proportion of her great mineral products, and thus to every Latin American country we will be an increasingly important customer. Even in the Argentine Republic, where there has been great complaint of our failure to take her wool and her hides, our purchases are increasing, and will undoubtedly continue to do so, especially when we get to a point where we must import meat from the Argentine Republic and when the Argentine will become the great grazing country of the American continent. Therefore, so far as that phase of our relations is concerned, we need not have any fear. The situation at the present time rests in the hands of the American manufacturer. It is a question whether he wants it or whether he does not want it; not whether he wants it in 1912 and does not care for it in 1913, but whether he wants it in 1912, in 1913, in 1914, and so on to the end of the century. If he does want it, and if there is that set and determined purpose to get a real hold on the great purchasing power of these countries, he must study their needs, he must be prepared to meet the competition of his European rivals, and he must treat the Latin American consumers with the same consideration—yes, with even greater consideration than he treats the consumer in our own country.

DIRECTOR GENERAL BARRETT: Following our usual method, I would invite the audience to ask any questions of Doctor Rowe. It has been our custom after each address, where the speaker could remain, to allow him to be asked questions by the members of the Conference. We have here many representative men of the great manufacturing, exporting and importing firms of the country that may like to ask some questions.

DOCTOR ROWE: I will be glad to answer any questions.

DIRECTOR GENERAL BARRETT: Would anyone like to ask any questions of Doctor Rowe, who has traveled very extensively?

QUESTIONER: I have a question I would like to ask which involves a point of law. In appointing dealers to Latin America, is it necessary to hold them forth as accredited representatives of manufacturers? Certain manufacturers have considered the advisability or inadvisability of terming them "agents" where they are not, but merely selling representatives. The Spanish language does not lend itself so easily to the term "dealer" as does the English language—does not carry the same strength with it, and the opinion is, of some of those manufacturers, that it is necessary to use the term agent in order that they shall have the proper strength in dealing with their people. The question arises as to just what responsibility a manufacturer would incur, how far he would be holding him forth to the people of the country of which he acts as a general agent, authorized to act broadly for him and bind him to the conditions to which he perhaps would not be willing to be bound other than those of merely a sales agent.

DR. ROWE: I am not sure whether I got the exact nature of the question, but I may say with reference to the matter of agency, our manufacturers and some of our merchants have shown comparatively little judgment in the selection of their agents. For instance, I found in one of the countries that a great publishing concern had as their agent a firm that was selling rope, pig-iron and a number of other products that had no relation to educational matters. They had at one time a considerable hold upon the textbooks of Latin America. They have lost it almost completely, and it has been secured by Spanish houses that have established close relations with large native book-selling agencies. I have another instance of one of the greatest firms in the United States which made an arrangement with a British commission house to handle their product. This house was also the agent for English

concerns and manufacturers in exactly the same line, and the result was that the American concern failed to secure anything like the proportion of business to which the excellence of their product entitled them.

QUESTION: In my efforts to be general, I fear I have not carried the point definitely—an agent representing directly as an agent; in other words, the branch of the company, naturally his act binds that company as a full representative. But suppose a sales agent were to make a lease for a term of years much longer than expected, or would make a contract with an employe extending over a number of years. It is those things that the manufacturer fears in using the term "agent" where he is really employing nothing more than a dealer. That is the point.

DOCTOR ROWE: There need be no fear on this point, provided there is a clearly defined contract between the commission merchant and the manufacturer.

DR. WILSON: I would like to ask Doctor Rowe a question with just a little explanation. In the different South American republics, Pan America, with reference to the school system, leading up to the universities, what are the conditions?

DOCTOR ROWE: The educational influences in the countries of Latin America have been exceedingly diverse. In higher education French influence is still dominant. For instance, in Mexico and the Argentine Republic French textbooks and treatises are more widely used than Spanish. In secondary education the influences have been equally diverse. French influence has been very powerful, and in Chile German influence has determined the organization and curriculum of secondary instruction. In the Argentine Republic, Chile and Peru American influence has been steadily growing. The earliest normal school in the Argentine Republic was organized by American teachers, and recently American teachers were engaged in Chile to conduct two of the normal schools. In Peru an American has reorganized the system of primary education, and at the present time an American is head of the University of Cuzco.

DR. WM. O. McDOWELL, of New York City: The question I wish to ask is this: In the matter of credits throughout the United States, they are largely based upon the fact that our banks discount paper never running longer than six months—our national banks—and in order that the American manufacturer and merchant can handle his enormous business it becomes necessary that he shall have acceptable paper which banks discount to loan upon. The question I ask is, Is there any difficulty whatever in settling that point in sales to South America, the issue by those houses of large credits for the goods when received by return mail and accepted payable in New York, London or Paris, wherever the financial center is most available for the handling of that business shall be situated? There is this one very serious difficulty, that that requirement is not enforced by the British and by the French houses, because the situation in many of the countries is that the British houses really carry these small houses for an indefinite period.

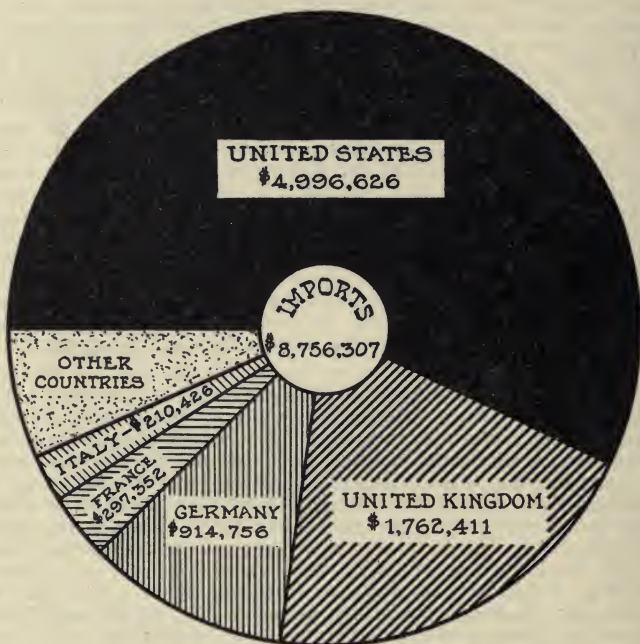
Does not that result in the building up of very strong financial houses in London and Paris who buy very largely in this market, meet the drafts by paying cash for the goods, and then taking care of the drafts, and in doing that make enormous profits out of American goods?

DR. ROWE: I think that is correct.

MR. ENRIGHT: I have information that a certain very large bank in this country is already making arrangements whereby they can discount commercial Buenos Aires or any other paper, and rediscount it down there, which would obviate that matter of carrying credit a long time. Arrangements, I believe, are progressing now, and in a very short time they will be available to the American manufacturer.

DIRECTOR GENERAL BARRETT: We will conclude that discussion. I have just received word that Mr. Root is leaving his house and will be here in a few moments. Upon his arrival I am going to give you the great pleasure of listening to a man whose own experience, first as Secretary of the Embassy in London, later as Ambassador in Paris and representative of the United States in the Buenos Aires Conference, and then finally as the Chairman of the United States Delegation to the Pan American Conference in Buenos Aires this last summer is well known to Americans and to people the world over. Mr. White, as chairman of our delegation, was most cordially welcomed in his visit to Latin America. He went also to Chile as the special plenipotentiary at the celebration of the anniversary of their independence, and he comes back here, after being absent, on purpose to address you this morning. I have great pleasure in introducing Mr. Henry White.

° PANAMA °
 - COMMERCE - 1909 -
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ADDRESS OF MR. HENRY WHITE, CHAIRMAN OF THE UNITED STATES DELEGATION TO THE FOURTH PAN AMERICAN CONFERENCE

Mr. WHITE said:

Gentlemen: It is with the greatest pleasure that I have been able to come here today and say a few words to the members of this Conference relative to the furtherance of our relations with the other Republics of this hemisphere. I only regret that I was unable, owing to previous engagements elsewhere, to be at your opening session on Monday last, and to join you in the applause which greeted the President, the Secretary of State and the Speaker-elect, who, respectively, advocated reciprocity between those countries and our own. I earnestly hope that this suggestion may become a reality at no distant date, as I can imagine nothing more conducive to the attainment of the objects which this Conference has in view.

The promotion of friendship and closer relations with Latin America is not a new subject to me. On the contrary, it is one, the vast importance of which to our interests and to those of the countries in question I have long realized. And its importance will be immeasurably enhanced with the opening of the Panama Canal. For years past I have availed myself of every opportunity to cultivate the friendship of the diplomatic representatives accredited from the other American Republics to the country in which I happened for the time being to represent the United States, and to make them feel that they shared with me the honor of representing America as a whole. The result of this was not only the creation of a strong feeling of American solidarity among us all, the moral effect of which was beneficial to our respective interests in the particular foreign country to which we were accredited, but it also enabled me to realize how earnestly all the best elements in the different countries of Latin America desires closer relations with the United States, and the chief obstacles which exist to the complete realization of that desire.

It is deeply to be regretted those vast fields for lucrative investment to the south of us—particularly in the far south—have hitherto unfortunately attracted little or no attention among our own people, and it is a source of delight and satisfaction to me which I can but inadequately express, to realize that at last we have begun to turn our attention, as a nation, to this most important subject, and that representatives of distinguished commercial bodies from all sections of the country are here in conference assembled to discuss it seriously.

Well, gentlemen, greatly as the importance of our relations with countries to the south of us had previously impressed itself upon me, that impression was strengthened a hundredfold by my visit last summer to those two great countries of the far south—Argentina and Chile.

I wish I could give this assembly an adequate idea of the complete harmony that prevailed, and feeling of American solidarity, in the deliberations of that great Parliament of America, the Pan American Conference at Buenos Aires, which sat for over seven weeks, and in which not a single unkind or unfriendly word was uttered from beginning to end; of the desire manifested by all the other delegates to fall in as far as possible with the views of their colleagues from the United States, and of the warm personal friendship established, and which, as far as I am concerned, will be lasting, between each and every delegate to the Conference.

You have, however, in your hands the report to the Secretary of State of our delegation to the Conference, and I would suggest that every member of this Conference read the allusions to our country made in the opening and closing speeches of the two Argentine Ministers of Foreign Affairs, who successfully held office during the sessions of the Conference, and also the speeches of the President of the Conference himself, on the days of its opening and of its close. I may add that similar sentiments were expressed by the Chilean President and Minister of Foreign Affairs, during the official visit which our delegates made as a Special Embassy to the hundredth anniversary of Chile's independence, in speeches which they made on our arrival and departure.

But perhaps the most interesting feature of the Conference, next to the harmony and friendship which characterized its deliberations, was the close friendship which sprung up there between the three great powers of the Far South—Argentina, Brazil and Chile—known among ourselves as the "A B C" of the Conference, and the

way in which they availed themselves of every opportunity to show their friendship separately and collectively for us. Neither of the three ever voted otherwise than as our delegation did. We always voted first—by the Conference's arrangement, not ours—and the other three in the order mentioned, immediately after us, and on the whole there was very little voting against the four delegations in question, on any subject.

Whatever may be said or written to the contrary by those whose interest it is to promote discord, those great Powers of the South have no longer any fear of our wishing to obtain territorial extension at their expense or at the expense of any other country, or of our aspiring to any other undue advantage over them; and they sympathize fully with the efforts our Government is making to improve conditions in Central America. It is to my mind of the greatest advantage to all America, and this country in particular, that there should be at the southern end of our hemisphere three important Powers in complete sympathy with each other and with us, and anxious to develop trade relations to the greatest possible extent with this country.

Those great countries are above all things desirous our merchants should come there and do business with their people, and they cannot understand why we should so long have neglected the opportunities they offer us, and leave them entirely in the hands of other great commercial countries. Not only Great Britain, which has been investing for more than a century in the Argentine Republic and other American countries, has, I was credibly informed, \$2,500,000,000 invested in the former alone, producing an average annual return of at least 10 per cent., but Germany, Italy, France and other countries—the first particularly—are doing likewise. A first-class passenger and freight steamer arrives nearly every day at Rio de Janeiro and Buenos Aires from one European port or another. There are any number of British, German, Italian and other foreign banks, and, what is perhaps most important of all, the citizens of the countries named go to Latin America themselves, become familiar with the language and attend in person to their business there.

But how is it with us—the nation of all others whose influence should be felt in those countries. (1) Not a single American bank; the official representatives of our country even having to cash their drafts on the Treasurer of the United States through a British or other bank via some European city; (2) one direct passenger steamer a month from New York to Buenos Aires and intermediate ports on the East Coast of South America, taking twenty-five days for the voyage and another requiring a change of steamers at Rio, in about the same time; and those two ships under the flag of another country.

In addition to this, scarcely an American is to be found representing American business interests permanently in Buenos Aires or Santiago, even the sale of the machines of one of the greatest of our agricultural machine manufacturers being in the hands of an agent not of our own nationality, who sells similar machines from his own country. Can that man be blamed if he gives the preference to the machines of the country from which he hails, and only sells ours when they are asked for? Of course not. And I could, if time allowed, give many similar instances of the way in which we have been positively inviting other great countries to take the lion's share of this wonderful field for investment, an invitation of which they have certainly not been slow to avail themselves.

The whole situation is simply incredible to anyone who has not actually been there and seen it for himself, but I have derived much consolation during the past few days from the knowledge that the head of one of our large business firms has been recently himself to the Argentine and Chile, and has secured a ten-year contract—the largest ever made—for the supply of this particular commodity in any foreign country, and I hope when the particulars of this transaction become known (I am not at present allowed to mention names), and especially, when the voluminous returns which are certain to result from this investment begin to be realized, that other fellow-citizens of ours will follow this admirable example in consequently increasing numbers.

Gentlemen, I am not a statistician, and if I were I should not permit myself to take up your time today with a series of figures to show how much we are losing annually by the policy we have hitherto pursued in respect to commercial intercourse with South America.

I would merely say that, in my opinion, there is but one way—and one way only—by which that intercourse can be placed on a proper footing, and that is by ships of our own, such as the other great commercial countries of the world, who now

practically monopolize the trade with Southern America, have. By ships I mean first-class, fast passenger and freight-carrying steamers, flying our own flag, between our ports and those of Central and South America.

Nothing can be more derogatory to our dignity and to our interests in those countries than the fact that our flag is never seen there on merchant steamers. This circumstance some may consider sentimental. I can assure you that it is not, but eminently practical, as it is beyond question that we pay an enormous sum to other nations—I understand upwards of \$300,000,000 annually—for the privilege of carrying our over-sea commerce. In comparison, any subsidy that could be imagined would be the merest trifle, quite apart from the fact that under present conditions we are contributing largely toward the increase and maintenance of the merchant marine of other countries, which must at least be useless to us and might be hostile in the event of war. For this reason I cannot help deeply regretting the fate which seems likely to befall in Congress the bill popularly known as the Gallinger Ship Subsidy Bill, providing moderate subsidies for steamers of not less than 16 knots, running between our ports and those of Central and South America. It was only passed in the Senate by the Vice-President's casting vote, and will, I am told, be defeated in the House of Representatives.

I am wholly unconnected with any business interests, and consequently with any shipping interests, having devoted the past twenty-eight years of my life to the diplomatic service of the United States. I am neither for nor against subsidies, and am rather inclined on general principles to be against them rather than in their favor, but I am for ships—merchant ships under the American flag, between ports of this country and the rest of America, and if we cannot get these ships otherwise than by subsidies, then I am for subsidies, or for any other measure that will give us means of communication with our sister Republics.

The size and speed of the steamers which the European Commercial Powers are sending to South America is being steadily increased, and the Italians have now two or three new ones averaging eighteen knots an hour. With such ships the voyage from New York or other ports of the United States to Buenos Aires could be performed in less than fourteen days, and to Brazil in about eleven days. In order to get the American delegation to the Pan American Conference under our own flag the Government had to send us out on an army transport, which, averaging only eleven knots, took twenty-one days for the voyage.

Nations are like individuals; they cannot become intimate with each other unless they meet from time to time and exchange views in personal intercourse. Still less are they likely to trade freely and to have confidence in each other save under those circumstances. On the other hand, they are not unlikely to drift apart and become suspicious of each other if they never do meet. Well, the only way in which the people of the countries south of us are likely to come to us, or ours to go freely to them, is on good, fast, steamships. At present the only comfortable way is by way of Europe.

Nothing can be more interesting and remarkable than the manner in which the Germans during the brief period of their existence as a great nation, and particularly of late years, have realized that it is by merchant ships of their own, carrying their goods all over the world in exchange for other goods which they bring home, rather than by colonies, that their influence can be most advantageously and profitably exerted throughout the world. They are consequently competing most successfully with their fine merchant steamers, which they do not hesitate to subsidize whenever desirable, for the trade of South America with all the other Powers now engaged therein. And I say this in no spirit of hostility, but, on the contrary, with the greatest admiration for the manner in which that great nation has realized from the first, the best way of extending its influence and of increasing its wealth, and has allowed no question of expense or any other obstacle to stand in the way of the attainment of those objects which are not only legitimate, but of vital importance for every nation. Even the Japanese, who are not supposed to be a wealthy nation, but are a very marvelous and intelligent nation, have realized also the importance of the South and Central American trade, and are beginning to compete for that of the West Coast with a line of subsidized merchant steamers—and very good steamers they are, too—running to Salina Cruz in Mexico, thence to Callao, and from there to Valparaiso, returning to Japan by the same route.

I cannot believe that we are the only nation on earth who are unable to have ships wherewith to compete for our share of that great commerce which is particularly within our own sphere, and should be ours also, any more than I can believe

that we are the only great nation of the world which cannot have a sound monetary system—a system whereby our periodical financial panics, which are the laughing-stock of the world, would be avoided, and which would make this country, if we had it (as I believe we shall have before long), the financial center of the world.

I would therefore earnestly appeal to the great commercial bodies of the country, whose representatives are here today, to bring all possible pressure to bear upon members of Congress from their respective districts with a view to turning their attention to the restoration of our merchant marine—at least to the seas between our ports and those of Central and South America, whether by subsidies or otherwise—I care not—so long as we have ships! But ships we must have, or resign ourselves to becoming a tributary nation in so far as our ocean-borne trade is concerned, to those who carry it for us. I suppose that no one here doubts that foreigners carry products on terms most advantageous to themselves and not to us, and in their own way.

If, however, Congress has not seen its way to the restoration of our merchant marine in American waters, I am happy to say that that distinguished body took a step last week of far-reaching importance to our commercial interests for which it deserves all possible credit. I refer to the bill which was passed by both houses for the purchase of houses for our embassies, legations and consulates in foreign countries.

I have trespassed too long upon the time of this assembly to venture upon a dissertation upon the importance of that measure, but I am happy, from the point of view of our relations with our sister republics of America, to find that the provisions of this Act of Congress are such as practically to compel our Government to limit its scope at present to those particular countries in which it is of greater importance even than elsewhere that we own our official buildings without a moment's delay.

I understand—but have not yet seen the Act itself since passage by Senate and House—that no more than \$150,000 can be spent under its provisions upon any one building. Well, it will be perfectly possible to obtain commodious and suitable buildings within that limit in every South and Central American capital except Buenos Aires, where it will not be possible, owing to enormous rise during the last year or two in the price of land in the best sections of that city, and to the great expense there of building and of everything.

And here I should just like to say a word about the stress which has been laid during debates on this subject, in Congress and elsewhere also, for many years past, upon the alleged impossibility for an Ambassador or Minister, with little or no private means, of living in a house costing \$150,000, \$200,000 or \$300,000, or whatever the amount may be. It never seems to have occurred to those raising that question that the cost of a house depends entirely upon the place in which it is situated. In the best residential districts of New York a house costing \$150,000 would be a very small one, so would such a house in Buenos Aires, London, Berlin, Vienna, Rome or St. Petersburg, where houses of very moderate size cost upwards of \$300,000, and even \$400,000, according to the price of the land on which they are built and to other local conditions.

The main point is to have a house of suitable size for our foreign representatives to inhabit, so that they shall not be dependent upon the rapacity of local landlords, or have to spend the whole of his salary upon his house rent, as is the case with our present minister to the Argentine, Mr. Sherrill, who has rendered invaluable service to our commercial and other interests in that country. He not only had to do this, but has been turned out of the house in the middle of his term of office because the landlord wanted it for himself, and the same thing has frequently happened to our Ambassadors in the great capitals of Europe.

The present Ambassador to Italy has so far been unable to find any residence at all, and is knocking about in hotels, than which nothing can be more derogatory to the dignity of the country he represents.

This is a subject, gentlemen, upon which I have felt so deeply ever since my early youth, when upon going to Paris, just after our Civil War, my national pride was humiliated by the fine houses owned by other Great Powers, and in which they lodged their Embassies and Legations, while all that we could call a Legation consisted of a few rooms up three flights of stairs over a corner grocery store. I dare not even now trust myself to speak of it. And it is unnecessary any longer to do so, as Congress has at last taken steps to remedy this humiliation.

Suffice it to say that nations, as is the case with individuals, are respected by the nations precisely to the extent to which they cause the impression to prevail that they respect themselves.

Nothing produces this feeling in respect to a nation so thoroughly with the exception, perhaps, of a powerful navy as dignified provision for its representatives in foreign countries and an important merchant marine carrying the products under its own flag to the uttermost parts of the earth.

We already have a powerful navy. We shall soon now have housed our Ambassadors, Ministers and Consuls as they should be provided for in that respect, and I would earnestly entreat every commercial body in this country to urge by every means in its power upon Congress the urgent necessity for a merchant marine without delay. Especially the urgency of our having such a merchant marine before the opening a few years hence of the great interoceanic waterway, a work of Herculean magnitude which it will have been the glory of our country to contribute to the promotion of international commerce and to the immeasurable benefit of humanity.

DIRECTOR GENERAL BARRETT: This is the closing day of the Conference, which has been far more successful and achieved far more than any of us dreamed it ever would. It is most gratifying that several hundred admittedly forceful captains of industry could have remained here almost an entire week to discuss the matter of the Pan American commerce; and I am sure that you will all agree with me that it is fitting, indeed, that at the conclusion of so many days of effort they should be made all the more successful and interesting and specific by the presence here this morning of a man who, perhaps, has done more than any other living man to develop the commerce and comity among the American republics, the Honorable Elihu Root.

ADDRESS OF HON. ELIHU ROOT, SENATOR FROM NEW YORK.

Mr. Root said:

Mr. Chairman, Ladies and Gentlemen: I have not come to deliver an address or to make a speech, but simply to show my good will and sympathy with the movement in which you are engaged, and to express my regret that the rather pressing occupation of the last weeks of a short session has made it impossible for me to be here at an earlier time and to spend more time with you. You are the real thing.

Governments may hold doors open all over the world, but if there is no one to go through them it is an empty form, and people get tired of holding doors open as an empty form. The claims of a Government to consideration soon come to be regarded as pretensions unless there are really substantial interests behind the claims. No Government, and least of all our Government, least of all a democratic Republic, can make commerce to go through open doors, to avail itself of fair and equal treatment, and to give substance and reality to the theoretical increase of amity and friendship between nations. The people of the country must do it themselves, and they must do it by individual enterprise; they must do it by turning their attention toward the opportunities that are afforded by friendly Governments, by availing themselves of those opportunities, and by carrying on their business through availing themselves then. But while it is a matter of individual enterprise, while that must be the basis of all development and progress, all advance, all extension, nevertheless, there must be something besides the individual enterprise. The great principle of organization, which is revolutionizing the business and the social enterprise of the world, applies here as it applies elsewhere. No single business can make very much advance except as all other business of the country makes advance. No one can go into a new field very far in advance of others, and the way for each man to make his business successful in a new field is to do his share as a member of the community, as a citizen of his country, as one of the great business organizations of his country, to advance the trade, the commerce, the influence of his country as a whole in the field into which he wishes to enter. A recognition of the dependence of each man's business for its prosperity and progress upon the prosperity and progress of the business of all is necessary in order that there be real progress. Now, there are Governments who undertake actively to lead in this direction, and they are Governments who are making enormous progress. Germany, a country regarding which Mr. White has just spoken in such apt and appropriate terms, leads, and to a considerable extent in various directions, it requires the combination of her manufacturers, her producers and her commercial concerns. Japan practically does also. There is solidarity brought about by the wonderful organization of that combination, so that it is one for all and all for one under Government leadership. We cannot do it here. Our country cannot take that kind of lead. Our people do not conceive

of that as a function of government, and as far as the activities of our Government are concerned they are largely engaged in breaking up organizations which do increase the industrial efficiency of our country. I do not want to be understood as criticising that. It is all right to break them up when they are taking too great a portion of the field for themselves. It is all right and important to break them up when they are monopolizing the means of subsistence that should be spread throughout the great body of the people. But we must recognize the fact that when our Government does enforce the law—a just law, wise law—against our great commercial and our great industrial organizations it reduces the industrial efficiency of the country. There is only one way to counteract that effect, not violating any law, but securing through organization the united action and concentrated action of great numbers of Americans who have a common purpose, substituting that kind of organization for the organizations which it is the duty of our Government to break up, because they are contrary to our laws.

I am much gratified by this meeting and by the association of so many practical men, business men, who, by uniting, are really creating a new force in this direction, upon which I am sure we ought to move.

Let me say one thing about the practical direction of your efforts. The so-called ship subsidy bill has been reduced now to nothing but the proposition that the Government should be authorized to pay adequate compensation to secure the carriage of the mails, to pay out of the profits of the ocean mail service adequate compensation to procure the carriage of the mails by American steamers to South America; that is what it has come down to. It passed the Senate, as Mr. White has said, only by the casting of the vote of the Vice President, and I do not know what will be done with it in the House. I am afraid in these last days that it may be lost in the shuffle.

There are two reasons why that perfectly simple and reasonable proposition failed to carry a great majority of the Senate and fails—if it does fail—to be certain of passing the House. One is because there is a difference between the people who want to have the thing accomplished about the way in which it should be accomplished. That is one of the most common things in the world. A certain set of men who want to have a revival of our merchant marine say the way to do it is to pay subsidies; the way to do it is to equalize the differences between the cost of maintaining and running an American ship and the cost of maintaining and running a foreign ship, and to equalize the subsidies paid by practically all the other great commercial nations to their steamship lines. Another set of men who equally desire to restore our merchant marine say that is not the right way. The right way is to throw open the doors and enable our people to buy their ships abroad. But still others say the true way is to authorize our ships to employ crews and officers of the low-priced men of the world, relieve them from the obligations that are imposed upon them in respect of the employment of Americans, people of the United States, who will require the high standard of living that has been produced in the United States by the operation of our protective system, relieve them from the obligations which are imposed upon them by our laws in regard to the requirements of the crew and air space, the food and the treatment that a crew is to receive, so that it will be cheaper to run an American ship. Now, between these different sets of people, having different ideas of the way to accomplish a thing, nothing is done, and that situation which exists so frequently regarding so many measures will exist forever unless there is put behind the proposition a force that gives it a momentum to carry it over such obstacles; put force enough behind it so that the gentlemen in the Senate and House of Representatives understand that they are going to be held responsible by the American people, going to be held responsible for not doing the thing, for not finding out some way to do it, and they will come to this sensible conclusion very shortly, and that is:

"We will settle the controversy about the way it should be done by trying one thing first, and if that don't work we will try the other."

Another difficulty about this measure is that there is a difference in appreciation of its importance in different parts of the country. Down here on the seaboard I think most people do appreciate it. You appreciate it; all the people who are concerned, or wish to be concerned, in South American trade, or trade of the Orient, appreciate it; but you go back into the interior of the country, into the great agricultural States of the Northwest and the farther Middle West, States along the valley of the Mississippi and the Missouri, and the people there are thinking about other things, and they have a natural dislike for subsidies, and when told that a measure

means giving somebody else something for nothing they express and impress upon their Representatives a great dislike for it. The way for us to get something done is not for us who are in favor of it to talk to each other about it. We can do that indefinitely without getting much further. The way is to take steps to bring to the minds of the people of the valley of the Missouri and the Northwest, bring to the minds of the people and those great agricultural States the importance to them, as well as to us, of having our merchant marine restored.

I noticed here the other day that the people of San Francisco were justifying their confidence in themselves by procuring all their business correspondents in the State of New York to write letters to me in favor of having the great "Exposition and Celebration of the Opening of the Canal in San Francisco," and these letters came in by the thousand from my constituents. They became so tiresome that I came very near voting against the project as a measure of revenge, but it showed the San Francisco people understood where to go in order to preach their doctrine. They did not talk to each other on the Pacific coast about it. They came to New York and got their business correspondents interested in it and got them to talk to their Representatives about it. That is what you want to do in Kansas and Nebraska and Iowa and the Dakotas—you want, through all the relations that you have, and by every means in your power, to represent to the people of those great interior States, who have but little direct relation with the ocean commerce of the world, the real conditions under which we exist, and the importance to the whole country of doing something; and if they do come to appreciate the importance to the country of doing what you are talking about, then they will be for it, for they are sincere, patriotic Americans.

There is but one thing more I want to say regarding the relations which underlie the success of such an enterprise as you are now engaged in. Of course, you have had a great amount of advice, and a great many speakers have told you a great many things you know, and I am going to put myself in line with the distinguished gentlemen who have preceded me by doing the same thing. At the basis of all intercourse, commercial as well as social, necessarily lies a genuine good understanding. That cannot be simulated; the pretense of it is in general in the long run futile. People trade with those with whom they have sympathy; they tend to trade with their friends. The basis of all permanent commercial intercourse is benefit to both parties—not that cutthroat relation which may exist between enemies, where one is trying to do the other—and a relation upon mutual respect, good understanding, sympathy and friendship; and the way to reach the condition which is thus essential is by personal intercourse and acquaintance between the men of Anglo-Saxon or German or Norse, or whatever race they may be, peopling the United States, and the men of the Latin American race peopling the countries of the South. This is something, my friends, in which our people are very deficient. So long we have been separated from the other nations of the earth that one of our faults is a failure to appreciate the qualities of the people who are unlike us. I have often had occasion to quote something that Bret Harte said about the people of a frontier Western camp, to whom came a stranger who was regarded by them as having the defective moral quality of being a "foreigner." Difference from us does not involve inferiority to us. It may involve our inferiority to somebody else. The sooner our business men open their minds to the idea that the peoples of other countries, different races and speaking different languages and with different customs and laws, are quite our equals, worthy of our respect, worthy of our esteem, regard and affection, the sooner we shall reach a basis on which we can advance our commerce all over the world. A little more modesty is a good thing for us occasionally; a little appreciation of the good qualities of others—and let me tell you that nowhere on earth are there more noble, admirable and lovable qualities to be found among men than you will find among the people of Latin America.

Gentlemen, I beg your pardon for keeping you so long as the result of these remarks. I wish you Godspeed in your efforts. I hope for you the effectiveness of a great and permanent organization, and that you may advance the time when, through more perfect knowledge, through broader sympathies and a better understanding, ties of commerce may bind together all our countries, advance our wealth and prosperity and well-being with equal steps as they advance the wealth and prosperity and well-being of all those with whom we deal, and advance the tie of that perfect understanding of other peoples which is the condition of unbroken and permanent peace.

DIRECTOR GENERAL BARRETT: We are now going to have ten minutes of the most interesting remarks by one of the best informed men. He is not going to generalize upon things we have already heard. He will tell us from his own experience, and then we are going to ask him questions. I refer to Mr. W. C. Downs, who is one of the best trade specialists of the country.

REMARKS OF MR. W. C. DOWNS OF WESSELS, KULEM-KAMPFF & CO., NEW YORK CITY.

Mr. DOWNS said:

Mr. Director, Ladies and Gentlemen: You must pardon me for not responding at once to such a flattering introduction. I did not recognize myself.

DIRECTOR GENERAL BARRETT: You will when you get through.

MR. DOWNS: I regret I have been unable to attend the first sessions of this very useful and instructive conference, but I have been detained in New York, attending to actual business, and that actual business I am pleased to say is South American business. But, I followed with a great deal of interest the reports in the daily papers of your proceedings, and it is quite evident that the manufacturers of the country are taking a sincere and deep interest in South American trade and are studying how they can extend the sale of their products in those markets, but there is one point in all the discussions that has struck me as still more forcible, which was called to my attention when I registered on my arrival this morning. After giving the usual pedigree, the question was put to me, "What do you manufacture?" and I was obliged to answer, "I do not manufacture anything; I only buy and sell." That is a point I cannot see has been brought out in your discussions, that there is a big difference between manufacturing and selling, and that the manufacturer as a rule is not a seller even in this country. Even in this country the large manufacturers have separate sales agencies, or the selling of their products is entrusted to specially organized firms which undertake the entire sale and the marketing of those products. Now, if that is the case in our own home domestic trade, it applies still more to foreign trade, where special training is required to make the goods. On the chart here at the side you have the statement of the total trade with South America, in which it appears that the exports from the United States to Latin America are about \$240,000,000. It will be very interesting to have figures on the subject of how much of that \$240,000,000 is exported direct by the manufacturers. I venture to say, without the figures before me, that the probability is that not twenty per cent. of the entire \$240,000,000 is exported by the manufacturers themselves. The balance, the eighty per cent., is done through special selling organizations, such as the export commission houses. These export commission houses have specially trained staffs, not only to attend to all the particulars of shipping, making out papers in accordance with the requirements of the foreign custom houses and foreign consular requirements, but in most places in South America, in fact in all the large cities, they have either their own branches and establishments, or else special agents who are there simply for the purpose of selling American goods. Now, it seems to me that the manufacturer should recognize this established organization for selling; and my plea today would be that the manufacturer get in closer touch with the export commission house if he is not in a position to market his product direct. In many countries of Central America and South America that is manifestly impossible. Take the Central American countries and the countries bearing on the Caribbean Sea. There are no international banking facilities. The trade is still largely that of barter—exchange of products. The Central American and North Coast merchant ships his products to some commission agent in New York or New Orleans. Those products are sold on commission by the commission agent, and the commission agent buys assorted manufactures which he ships in return. These orders from the Central American and North Coast merchants are generally for very small quantities of an immense assortment of goods. It certainly would not pay the manufacturer to undertake that business direct. The amount of business which he would secure, would not compensate him for the special staff which he would have to maintain to comply with the consular requirements and custom house requirements of a special staff of salesmen to visit the trade, secure their orders and inform him in regard to their credit.

On the East Coast of South America, however, and on the West Coast, for certain products the orders are on a much larger scale, so that a manufacturer who

produces an article that can be sold on a sufficiently large scale can enter the market direct if he sees fit to do so, after he has calculated the cost of representation, cost of a special staff and of securing his information; but there are also a large number of articles which are sold in those countries which come under this class, and that is the field that the commission merchant covers. So that my advice would be that the manufacturer intending to enter any particular South American field inform himself in regard to the organizations already established in those fields who will pay the cash for his goods, who will finance the bills, attending to all the shipping and assume all the responsibility.

DIRECTOR GENERAL BARRETT: Mr. Downs, you are the kind of man they want to fire some questions at.

QUESTION: Do you advise them to undertake to sell direct, if by so doing the manufacturers are liable to be boycotted by the commission houses?

MR. DOWNS: No, I would not say that the manufacturer would be boycotted by the commission houses if he does his business intelligently, and gives to the buyer abroad the same consideration, and takes into consideration all the features that the commission house takes in it. If he is giving the buyer abroad credit, his process should be in accordance with the time that he gives.

MR. GUMPERT: Will a commission house undertake introducing a good manufacturer?

MR. DOWNS: A commission house will do so, but I should advise the manufacturer to study the market and find out what commission house is best suited for the particular market he intends to enter. That is something that the Manufacturers' Associations and the Export Associations should co-operate in, and give information to manufacturers as to what houses are represented or have facilities for representation in certain markets.

MR. GUMPERT: How can we find that out, if the commission house will market certain products?

MR. DOWNS: If you have a good commission house you can see the correspondence and get a list, put questions to them frankly, and ask them if they are in a position to represent you in Lima, Buenos Aires, or other place, what their facilities are there—pin them down and find out whether they could give you honest representation in those countries as a salesman.

MR. LINDEMAY: Can not the manufacturers take some steps and use some means in co-operation with the commission house to find a market for their goods in foreign countries; for instance, South America, in co-operation with the commission houses, perhaps only handling technical lines?

MR. DOWNS: Certainly they can. That is a point that the manufacturer should study. Let him advise more freely with the commission houses as to the best means of covering certain markets.

MR. HYDE: I should like to know if dealing through commission houses does not raise the price of the commodity to the ultimate consumer.

MR. DOWNS: I would answer that by another question, being a Yankee. Does it not cost you to sell commodities in this country? Do you expect anyone to sell your goods for nothing? If you have a sales agent, do you not pay him a commission, and do you realize what the average commission of the New York commission house amounts to? Probably less than $2\frac{1}{2}$ per cent.

MR. JAY C. FREEMAN, of Lyon & Healy, Chicago: I would like to ask Mr. Downs if he can inform us what percentage of the business of the German, French and Italian is handled through the commission houses? I know a large part of the German trade is handled through Hamburg houses. Can he inform us what percentage?

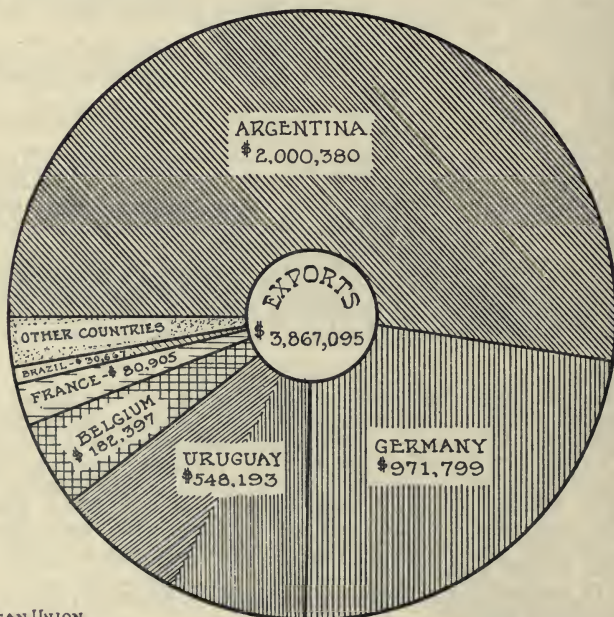
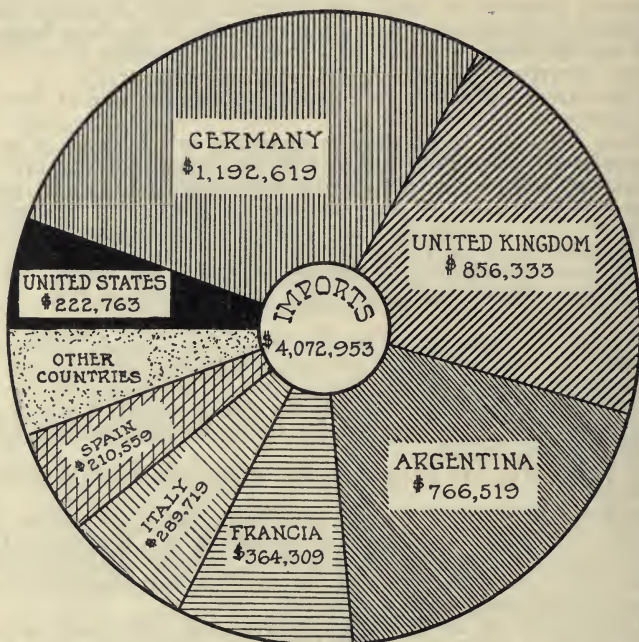
MR. DOWNS: I cannot tell you what percentage of the trade is handled through commission houses, but I believe the majority of the German and Italian business is handled through commission houses and not direct by the manufacturer.

MR. FREEMAN: Our experience with commission houses was that these letters to their best friends down there, if the business increases enough to supplant the business of the commission houses, those letters were a good investment from their standpoint. Our business increased from sending our man down there and the commission business increased also, because in many cases we wanted to take advantage of the men who wanted to buy, and therefore they got their credit and we got our cash in New York.

MR. H. H. HAINES, of the Chamber of Commerce, Galveston, Texas: Do commission houses extend credit?

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MR. DOWNS: Commission houses extend credit as long as the German houses we have heard so much about, say three months after the arrival of the goods.

MR. HAINES: Charged on open account or over-due account?

MR. DOWNS: The majority of the business is on draft attached to the bill of lading.

MR. HAINES: But I refer to the credit business. Is there an interest rate charged on the open account?

MR. DOWNS: Most certainly the time has to be taken into consideration.

DIRECTOR GENERAL BARRETT: I am sure we are grateful to Mr. Downs for his participation.

I am going to inject a little unexpected feature into our program, which I know you will appreciate, by requesting the distinguished Argentine naval officer, Rear Admiral Domecq Garcia, who has consented to say just a word, which I am sure will be of interest. Admiral Garcia has been sent here to have charge of the construction of the battleships being constructed in this country for Argentina.

REMARKS BY REAR ADMIRAL M. DOMEQ GARCIA, OF THE ARGENTINE NAVY

Rear Admiral GARCIA said:

Gentlemen, excuse me, because I arrived in this place only yesterday, invited by my friend, Mr. Barrett. I had expected to come here only on business, but listening to some of the speeches here I thought of some points that I think will be of interest to you, especially regarding the merchant marine.

First, I must thank Mr. Barrett and really congratulate him regarding this magnificent meeting, which is undoubtedly the starting of a great future for the Pan American Union.

Nearby here is a very nice and fine building devoted to the Daughters of the American Revolution; but I think this business is more grand, because this is the building of the union of the continent and for that reason I think that it is a grand building.

One of the principal things for the commercial relations between the United States and the South American countries is the language. I think that in the future there are only two languages to be spoken in the commercial world; that is, the English and the Spanish. If you consider that there are about sixty millions of Spanish-speaking people in the South American countries, and also in the north part, from Mexico to the South; but the difference between Portuguese and Spanish is so great that really I think the intercourse in Brazil will also be in Spanish. For that reason I think if you try to learn the Spanish for that useful knowledge of your commerce will be more convincing. I think Spanish is more useful than French. French is very nice and excellent for the political powers or social intercourse; but for the merchant commercial Spanish will be one of the principal things that you may try to get in your own personal instruction.

I have been hearing about the merchant marine. I know, because I have been commissioned by my Government to visit most of the yards in Europe. I have visited all the large shipyards of the world, I may say, and I have visited also the American shipyards, and I think really that here you are prepared to establish at once, if you like, any kind of a merchant marine. Of course, the hand labor will be a little higher, but your implements are so new, your energy to produce material is so great that I think if you will understand, immediately, on account of your industry you will find building of ships as good as you like. You are prepared to build very good ships here, and if the American yards start at once on merchant ships, you can put out in fifteen months a magnificent fleet of merchant steamers. The hand labor for a man-of-war is different from that of the merchant ship. In the man-of-war, the ship must be prepared to receive certain kinds of restraint, and that generally you never have in the merchant ship. For that reason the workmanship of the man-of-war is very expensive to make; the ordinary cargo boat or carrying ship, you can make that easy and correct here. You have some material to produce in one month what they produce in one year in some of the European countries. For that reason I do not see why you can not make an American merchant marine.

I remember in our school in Buenos Aires we used to see on the River Plata some very fine American sailing ships. I cannot understand now why we do

not see many nice American steamers; that is, American ships, conducted by American captains and American crews and everything, but now we do not see one American ship, only by chance, in our Argentine ports. For that reason I think it all depends on you. I am impressed with the great energy of this country when I see a sky-scraper in New York constructed in five or six months. I do not therefore see why you cannot build ships in ten months. It is only a question of will, that is all.

A great deal has been said regarding Argentina, but none of the gentlemen talked about Patagonian Delta, because I have been in the ocean service of that coast about seven or nine years ago. Patagonia is nicer than Canada. You have there almost any winter without ice and snow; big lakes, high mountains, magnificent ports, so that everything is prepared to take the produce from this part of Patagonia out to the sea. We have got in one place an oil field; it is about three or four hundred yards from the sea. You have a pipe and you can take oil for your tanks. Patagonia is undeveloped yet. You can build up a population and develop that large country into a magnificent producing place.

On this point my only idea is to give you some talks regarding the facilities and the unity of the Pan American idea between the American and the South American continent. For the rest, you must excuse me for such poor speech.

DIRECTOR GENERAL BARRETT: I am sure we are very grateful. Would any one like to ask Admiral Garcia any question? I am going now to call upon a man who is among the most practical of those attending this conference. I want you to listen closely to what he says, and then I want you to be having questions to ask him, and that is Mr. F. B. Purdie, who has had a great deal of experience in Latin America; for a long time he was R. G. Dun's representative in Buenos Aires. He has made a study of conditions in Pan America, and he has come on especially from St. Joseph to be here to attend this conference, and I am very glad to introduce him. After he has finished his allotted time, then you are going to fire questions at him.

ADDRESS OF MR. FRANCIS B. PURDIE, OF R. G. DUN & CO.

Mr. PURDIE said:

There are one or two things I want to clear up before I make a series of statements, practically beneficial, I hope. I do not want you to ask me any questions about these things. That is why I have prepared it.

As to the conditions regarding commercial travelers in South America, the paper of the Department of Commerce and Labor, Tariff Series 19, as published in a pamphlet, will give you the exact information that you require regarding what a traveler has to pay before doing business in any country in South America. You will probably ask me—I am pretty sure you will—about how other nations sell to the Argentine Republic. I am talking about the Argentine Republic—the question is too big to talk about any other country, so I will confine myself exclusively to that Republic. I will not answer any questions, but I am prepared to give information to any gentleman who desires regarding any line of business—how Germany, Great Britain, Belgium, France, Italy, sell and what credit they extend to the Argentine Republic.

The statement was made yesterday, and I do not like to pass it by without saying something about it, that is, regarding American travelers in South America. I thought it was rather unfair to speak of the average American traveler in South America as a "peddler." I was in Buenos Aires a good many years, and I have been eighteen years altogether in Latin America; and in all that time I saw only two American travelers that I could say were peddlers. They were good, average salesmen; but, don't misunderstand me—most of them did not know anything about handling trade in South America, but they were good, average, decent fellows, as decent as you are meeting in the United States. So, don't talk about their being peddlers.

Another statement was made yesterday—I wish the gentleman who made it was here, because I do not like to refer to it in his absence—about the Americans in Buenos Aires being lower class. The United States Steel Products Co., the General Electric Co., J. I. Case, special machinery, Avery Plow Co., R. G. Dun & Co. and a number of other fairly respectable and responsible firms have their representatives in Buenos Aires as managers, general managers and agents. I do not think these are the institutions that send out inferior men.

You have heard a good deal about the Argentine of late; of her wonderful progress and her riches. All who have spoken or written on this subject have dwelt upon the fact that the wealth of the Argentine is in her soil, in her great farms, which stretch from the Rio de la Plata until they sink into the waters of Magellan Straits. The brilliant future which has been pictured for this favored land is made to be dependent upon the proper development of her agricultural resources; upon the time when her myriad virgin leagues shall have felt the kiss of the plow and shall have suckled the root of wheat and corn and the other life-sustaining plants with which nature rewards the sons who confide in her. You have heard all this. Have you given it thought?

For the volume of trade done by her merchants, my examinations of balance sheets in the Argentine, and many thousands have passed through my hands, have shown me that there is a greater proportion of credit extended to capital invested than in any country I have had experience with. That is because Argentina is an agricultural country. It is necessary to carry the farmers from sowing to harvest, and when drouths, or frosts, or locusts come along, as is only too frequently the case, the farmers must be carried from season to season. The burden then passes from the interior merchants to the importers and the wholesalers, and from them to the sellers in the foreign markets. Under such conditions you will realize how impossible it is for the importers of the Argentine to have extensive dealings with any nation exacting cash terms.

If credit were not given, and long credits, too, by our merchants in this country to the agricultural districts, business could not be carried on and the great crops which constitute our chief source of wealth could not be made.

Americans have repeatedly said that they could not extend credit freely to a market so far away. If they do not, they will not get the trade. They cannot force the Argentine dealers to cripple themselves for the privilege of trading here.

European markets are as far away from Buenos Aires as is New York, and Europeans have no better facilities for studying the markets than Americans can provide for themselves, neither have they means of securing credit information which are beyond the reach of our merchants.

One of the chief advantages which Europe has over the United States is that her vessels can deliver cargoes in Buenos Aires from 15 to 45 days quicker than vessels plying from New York. Two-thirds, or more, of the vessels sailing from New York for Buenos Aires carry inflammables. The law compels such cargoes to be discharged in La Plata before the vessel can go to Buenos Aires. You must provide a remedy for this. Beyond the fact that the Argentine people are accustomed to trading in Europe, I know of no insurmountable obstacle to our getting the trade. We have the goods, and I am informed that our prices can compete.

The story is being told over and over again just now of our great increase of trade with the Argentine, and those wonderful percentages which take no account of totals are being fervently dwelt upon. If we eliminate agricultural machinery and implements, petroleum and oils, lumber and lumber products, all pre-eminently American products, and for which, in the main, the Argentines themselves have created the demand, we will find the sales ridiculously small in the general lines where we meet the competition of Europe. There is really very little justification for our talk about American trading enterprise when we refer to South America.

The question is frequently asked, "Can we trade safely with the Argentine?" I answer, yes!

You need not expect to find the Argentine merchant a shining example of commercial probity; he is as human as the rest of us, and more shrewd in trading than the most of us. The honest man and the rascal are in the trade of Buenos Aires in about the same proportion as you will find them in New York or Chicago. The difference in your favor will be that your trade profits will be greater in the Argentine than here.

Your greatest handicap is that you have not properly informed yourselves upon the market. You have been too unheeding not only in your choice of the men to personally represent you, but also, and to a very much greater extent, in your choice of local agents or representatives. It is the most serious error you are making. There are, of course, exceptions, some splendid exceptions, and I would like to enumerate them. It is true that too many of our manufacturers have been satisfied with sales of \$10,000 a year where, if they had been properly represented, they should have been \$100,000 a year.

Failures occur about as frequently in the Argentine as elsewhere, but I do not believe that they will be found to be any more disastrous than at home. Bankruptcies are infrequent because they are too hurtful to both debtor and creditor. "Arreglos" are the favorite form of settlement; we call them compromises in this country. One has to be very careful before accepting statements when a compromise with creditors is sought; the average Argentine trader has apparently some difficulty in distinguishing between Meum and Teum. I recall an incident which well illustrates this. A little over a year ago an interior merchant, finding himself unable to meet his maturing obligations, appealed to his creditors and a meeting was called in Buenos Aires. The son of the merchant was present at the meeting in representation of his father, and he submitted a statement of the assets and liabilities, with a request for a compromise of forty cents on the dollar. The creditors examined the statement and found that even by his own figures he was well able to pay sixty cents, and they so informed the son, but he jumped to his feet and indignantly exclaimed: "I know that father can pay sixty cents, but to do so he would have to impair his own capital, and he could never do that."

When you ask down there if a merchant has failed, you will be told that he has not, even though he may have made several "arreglos," but it is not called a failure unless legally declared so.

It is about as easy today to get credit information in the Argentine as it is in the United States; easier, in fact, than to get an order.

The only reason I can find why the United States has not a larger trade in the Argentine and in South America, and I have puzzled over the question a good deal, is that she has not gone after it. I can find no other answer. The wonderful enterprise which is so characteristic of our people appears to have been entirely lacking in dealings with South America.

In order to help the discussion of this subject, I offer, in amplification of what I have already said, the following suggestions: Before you can sell for cash you must offer better goods than your competitors; sell at lower prices; know precisely what your competitors are doing; have an article that they cannot produce. Before you can command the market on any terms, you must employ experienced salesmen; treat with the people in their own language; study the market; free your minds from the idea that South Americans do not know what they want; stop employing foreigners to represent you where you can get Americans; learn that courtesy, tact and gentle breeding, if they are inherent in your representative, will do more to win for you in the Argentine, or in any Latin American country, than all the other good qualities your salesman may possess. In order to secure a much larger trade in the Argentine than you now have, it is not needful that you wait for American banks; new shipping lines, or the Panama Canal.

DIRECTOR GENERAL BARRETT: Gentlemen, this is really a rare opportunity, that Mr. Purdie could have talked to us. Now, let us draw him out by a few questions before we call on Dr. Rutter, the eminent tariff expert of the Bureau of Manufactures, who is here especially to tell you about this question of tariffs, which interests you all.

MR. LEWIS: Will you tell us something about the trade-mark laws of Argentine, which I think of great importance to manufacturers?

MR. PURDIE: I would refer to our consul.

MR. CHANDLER: Will you ask the question again?

MR. LEWIS: About trade-mark laws of Argentine, and also the registration of trade names there.

MR. CHANDLER: What ought you to do to register one?

MR. LEWIS: Whether you can register the trade names of an article there which gives you title to that name covering any article, so no one else can sell anything in the Argentine Republic or introduce it there under that name.

MR. CHANDLER: Do not allow yourself to be misinformed. There is a great misconception all through this, and it has led to some unjust criticisms of the Argentine Republic and its laws, which Mr. Edward B. Moore told me this afternoon he had assisted the Argentine Government in framing. I am very glad, indeed, that you asked that question. The Argentine patent law reads something like this:

"Applications for trade-marks (consisting of figures or emblems) must be accompanied by a description in duplicate, quoting the number of the class to which the application refers, as given in the detailed list to be found in the Official Decree dated 2d June, 1903."

You register that for certain specific things, all articles running from 1 to 500. You claim bicycles; therefore, you register the name "bicycles," articles 41 to 46. You have registered those for bicycles only. Your next-door neighbor wants to put out an ice-cream freezer. He goes and registers claim 41 to 54; in that way it can be done.

I want to tell a specific instance about this, because there has been some very unjustifiable criticism. A well-known swindler got hold of the firm trade name of an American automobile. He went ahead and registered everything under the sun, which he got another swindler to put into the Patent Office. The firm in the United States wrote down to us. I went down and took it up immediately with the Chief of the Patent Bureau and informed him why the man's action was wrong, and that his subordinate's action was wrong. He immediately took it up with the firm in the United States and had the action of the previous people annulled; and, being convinced that the manufacturer in Detroit, a very large concern, was in the right, he granted them their privileges for these articles.

A large number of registered patent articles, with names and addresses, are all on file in the Bureau of Manufactures, Department of Commerce and Labor; and if you have any name or trade-mark to register they will do the thing for you for \$2.40 in United States gold for the first time, the patent running, 10, 15 or 20 years.

MR. GORHAM: I would like more information relative to registering trade names in the Argentine. Is it possible for any man upon the street to register a trade name for a manufactured article in the United States without the permission or authorization of the American manufacturer or his agent? Anybody can do it. I have done it myself.

DIRECTOR GENERAL BARRETT: Mr. Purdie says that is correct.

MR. KELEHER: Our company lost \$10,000 that way. Somebody registered our trade-mark "Holophane," and said, "You better pack your trunk and get out, because if you try to sell anything they can have you punished in some way. We were up against the problem completely, and face to face with calling it some other name. I called on these merchants, and they said, "You pay us \$10,000 and you can have the trade-mark." I replied, "You may be legally correct in your demand, but in the United States we would call that thievery." He said, "That is all right, but you pay us, or we don't allow you to use that trade-mark here." As a matter of fact, we did pay for it.

MR. PURDIE: I can say something on that point, that most of the important trade-marks in the Argentine that have been stolen in the way you mention have been stolen by citizens of the United States.

MR. KRAUSZ: When I went down to Buenos Aires in the interest of a certain business I had heard of that affair in regard to the automobile which the consul just mentioned. I went to the consul and informed myself of the necessity of registering my own trade-mark, which I did. I found it a very simple thing. Our consul charged a fee of two pounds, in addition to the fees the Government demanded. Altogether it cost about \$40. It was a very simple thing to do, and I would advise anyone to do it, because they are very lax in that regard down in the Argentine.

MR. HERBERT M. DAVISON, Secretary of the Board of Trade, Worcester, Mass.: I would like to ask the gentleman a question. Did I understand him to say that he would advise us to sell better goods at lower prices than our competitors?

MR. PURDIE: If you insist on cash terms at all times, yes.

MR. DAVISON: What is the opportunity for concerns that desire to sell better goods at higher prices?

MR. PURDIE: To properly introduce them and show the people down there that they require them and that they must have them.

MR. PURDIE: I believe you are correct there.

MR. DAVISON: Is it not true that the motto, "Better goods at higher prices" is better than "Inferior goods at a lower price?"

DIRECTOR GENERAL BARRETT: I want to say on that point Mr. Davison spoke on, that, in my experience as minister to four of these different countries, I have found that exactly the same rule obtains as it does in this country. At Buenos Aires I saw the representatives of expensive lines of manufacture come in there and sell them to that class of merchants who wish to deal in them, just as they do in New York. I saw the man who would furnish a ten-cent store come along and supply that kind. It is only a question of getting into touch with the business men of those countries, exactly the same way that you come into touch with the business men of the United States. Certain men want your high-class goods, and certain men will want

your cheaper goods; and those men, in their turn, have their constituencies. I can take you in one store where women go in who are willing to pay any price for the clothes they buy; walk two or three hundred yards and there they do not want anything except at the lower price, just as prevails in New York and Washington.

MR. PURDIE: One point, regarding introducing superior articles at a higher price I would like to mention: I have known exact cases of articles introduced into the Argentine Republic by certain firms there, who establish a trade-mark thoroughly, so that the people got to know it and called for it. That same firm was later able to produce a superior grade of the same goods and were able to offer it at even less than the original price. They had extreme difficulty in convincing the people of that, so accustomed were they to the trade-mark on the other lines.

MR. COFFIN: I want to make a statement and ask a question about the possibility of anyone in the street registering a trade-mark in Argentina. I know positively that it can be done for all articles, if the applicant asks for it to be registered for all articles. I am very glad to hear from Mr. Chandler that that is illegal, and did I understand Mr. Chandler to say that was illegal in all instances?

MR. CHANDLER: The trade name for all classes of industrial articles?

MR. COFFIN: Is that illegal *ipso facto*?

MR. CHANDLER: That is to say, the registered name claimed thereunder, that is illegal. I was told so by the chief of the Patent Bureau of the Ministry of Agriculture. You can consult the law on that subject either on the ground floor of this building or in the department here.

MR. COFFIN: I want to ask the Chairman, or anyone else informed, whether the Argentine Congress has ratified the patent agreement passed at the last Pan American Conference; and, if not, what are the prospects for its ratification?

DIRECTOR GENERAL BARRETT: I think, Mr. Coffin, that a great deal is dependent on the attitude of our own Congress on that thing.

MR. COFFIN: In what way?

MR. PURDIE: The influence or action we take on the matter will have a beneficial effect. I do not think any of those countries will enter into it unless they know the United States is going to do it. Did you mean this Pan American Congress here?

DIRECTOR GENERAL BARRETT: Oh, no; the United States Congress.

MR. COFFIN: I would suggest that this Convention go on record strongly recommending that.

DIRECTOR GENERAL BARRETT: It is against our rules of order. We cannot adopt any resolutions regarding policies of government, but I think the chances are favorable for the ratification by Argentina, because the delegates of Argentina at that Conference signed their names to that agreement, and as they were right there, able to consult with their own ministers of State, it is not probable they would have signed it unless they felt they could ratify it.

MR. ELMER H. ALLEN, of the C. D. Edgarton Mfg. Co., Shirley, Mass.: I want to say, in reference to quality, that this is the place where we ought to be willing to give personal experience and practical suggestions. I believe that quality counts. I think we ought to talk of the quality we are making, without going into advertising.

DIRECTOR GENERAL BARRETT: Is that a question? Because this afternoon we are to have a general, open session, and unless it is a question I wish you would postpone it.

MR. ALLEN: No, except the gentleman asked whether better goods at better prices were advantageous. I say, Yes.

DIRECTOR GENERAL BARRETT: Your chairman wants to be just as liberal as he can. Is there any other question now, direct?

QUESTION: I want to ask, Is it not a fact that three months is the time limit within which you can prevent registration of a trademark by another party under some international agreement on the subject of trademarks? That is true of Europe, I know; certain countries, under some treaty agreement with the United States, I believe.

DIRECTOR GENERAL BARRETT: Mr. Purdie, we are very grateful to you. Mr. Purdie will be glad to answer any questions.

I now take very great pleasure in introducing Dr. Rutter, of the Bureau of Manufactures, of the Department of Commerce and Labor.

ADDRESS OF DR. FRANK R. RUTTER, OF THE BUREAU OF MANUFACTURES, DEPARTMENT OF COMMERCE AND LABOR

Doctor RUTTER said:

Mr. Chairman, Ladies and Gentlemen: It is very gratifying to the representatives of the Bureau of Manufactures here to find that the report issued some years ago on "Commercial Travelers in Foreign Countries" is of practical service to you. I wish just to say a word in regard to that report. There have been certain modifications since the report was issued, especially some changes in the fees in Argentina, and on application to the Bureau the changes will be communicated to you.

The tariff work of the Bureau of Manufactures, which was touched upon just briefly by Mr. Baldwin in his more general address yesterday, is confined, in the first place exclusively to the tariffs of foreign countries; and, in the second place, I am saying what we do not do; in the third place, all questions of tariff politics or tariff diplomacy are left untouched. We aim to give the fullest possible information from every possible source of what tariff rates are in effect in foreign countries, of the changes in those rates, of the customs formalities that are required and of supplemental duties that are charged; and it is our aim to publish those results either by letter to the personal inquirers or by formal reports in the subjects of the articles we think are of more general interest in the way that will bring the information most promptly and most speedily to those who are concerned. A question was asked yesterday which I answered incompletely. I was asked as to the admission of American products into South American markets, and, mentioning the preferential granted by Brazil, I failed to state what is known to every member of the Conference—the fact that all articles from the United States are admitted into Cuba at a percentage reduction from the regular tariff rate.

A body of law is a growth, not a creation. Differences in sentiment and history lead unconsciously and inevitably to variations in the form as well as the substance of laws.

On the first examination of the tariffs of many countries, one is unable to understand the maze of detail through which it is necessary to feel one's way in order to ascertain simply the rate of duty on some article. It is only when the study is carried back, and the reason for the requirement is traced to its source, that what at first appears to be meaningless complexity is seen to be merely the natural result of the enactment of law after law without attempt at unification.

The tariff systems of Latin America are constructed in different ways. The peculiarly South American form of tariff, as represented by that of Argentina and several other countries, is one of ad valorem duties calculated on fixed official valuations. This system is in force nowhere outside of South America; its object is to retain that general equilibrium between the value and the duty which affords the chief justification of every ad valorem duty, while avoiding the difficulty and uncertainty of a separate appraisement for each importation. Under that system a revision of the tariff may be accomplished by amendment of the "valuation tariff" without any change whatever in the ad-valorem rates of duty fixed by law. The system is used less generally than formerly. It was abandoned in the new Peruvian tariff that went into effect last July and likewise in the proposed tariff of Uruguay.

The Brazilian system contains specific duties, accompanied, however, by the corresponding ad valorem rate; from these data the valuation which serves as a basis for the surtax may be calculated.

In Venezuela and some other countries the tariff law is short, consisting of a separate duty on each of nine classes. The difficulty is to ascertain under which of these general classes the article in question falls and a tariff of 539 numbers is necessary for this purpose. In Panama and some of the British colonies straight ad valorem duties are in vogue. In Salvador the tariff gives an "Aforo," which originally appears to have represented the duty, but has now become a simple logarithm from which, by mathematical formula, the duty may be calculated.

In addition to variations in system, the currency in which the duties are levied adds to the complexity of the tariffs. In one country the duty is levied in silver; in one country, while nominally in gold, paper money is accepted at a fixed rate; in three countries a mixed gold and paper method of payment is prescribed; in one there is a mixed gold and silver method of payment, while in the majority of American coun-

tries gold or its equivalent in national currency is now required. In some cases the proportion of gold and silver or gold and paper vary for different items.

Surtaxes, some of which represent charges for actual services, while others owe their origin merely to the need of increased revenue, are prescribed in many cases and are frequently changed as temporary conditions arise.

These three sources of variation result in a complexity that confines the use of many of the tariffs exclusively to the initiated. A few instances may perhaps make clearer the difficulties that have to be met. In Brazil a tariff commission has been working for some years, and proposes, among other reforms, a simplification in the method of levying duties. At the present time the system is exceedingly complex. Some duties are payable one-half in gold and one-half in paper, while in the case of some articles only 35 per cent. is required in gold and 65 per cent. in paper. A surtax of 2 per cent. in gold must be added, based on the official valuation. The valuation does not appear in the tariff, but must be ascertained by comparison of the duty and the ad valorem equivalent. In the case of strictly ad valorem duties, the invoice value is first converted into milreis at the rate of 24 cents for each milreis, and the duty is then payable at the rate of 40 or 44 cents per milreis. The result is that a nominal ad valorem rate of 55 per cent. works out at over 100 per cent. in actual practice.

In Salvador the duty is payable partly in gold and partly in silver. The proportions were so fixed in the beginning that the two parts would add to 100 per cent., but from time to time the amount payable in gold and that payable in silver have been changed, so that now 37 per cent. of the rate given in the tariff must be paid in gold and 77 per cent. in paper, a total of 114 per cent. Surtaxes, customs and consular fees and storage charges must be added before the amount of the actual duty can be ascertained.

The difficulties incident to the present tariff systems have been shown in sufficient detail. What steps should be taken to obviate them?

There is no need of uniform rates of duty. Differences in industrial development, in economic theory, made that unobtainable, even if desired. But a simpler system than most of those now in force seems to be no unreasonable demand, and should receive the most active support of all persons interested in the tariff, each in his own country. With simpler tariff systems the need of more firmly established currency systems goes hand in hand. At every revision of the tariff the effort should be made to cut off every surtax and to adopt a single rate of duty, payable in a currency not subject to fluctuations. This was done in the recently proposed revision of the tariff of Uruguay, which, however, according to the latest advices, seems unlikely to be enacted in its present form. The tariff revision commission of Brazil, which has been carrying on its investigations for a number of years, is said to be planning a similar reform in the tariff of that country. The rates fixed, whether high or low, should at least not be misleading.

By concerted action there is no reason why the reform should not go a step farther. A uniform classification of articles would not seem to be beyond the scope of international agreement in this day of international conventions. Such an agreement need not embrace at first more than a few countries, and might well be inaugurated by the countries of the New World, now so happily united in the Pan American Union, which is no more a bureau of the United States Government than it is a bureau of the Argentine or the Brazilian Government.

Some time ago I had occasion to examine a treatise on the French tariff, written by a German, or a treatise on the German tariff by a French writer, I am not certain which. In order to make a comparison of the rates in the two countries, the writer discarded both classifications and presented a schedule of his own, which he considered superior to both. On the part of one individual this action may seem presumptuous, but I see no reason why such a schedule might not with advantage be drawn up by a commission of experts officially designated by the several Governments. The establishment of a uniform freight classification points the way to a uniform classification in customs tariffs.

The signs are hopeful at least for some simplification of tariff matters. In the first place, customs legislation is now receiving study more and more on the economic side and from the international point of view. The tariff experts of each country are examining the systems of other countries, and as a result of their comparative study a fund of information is made available to all concerned. With the realization that simpler methods will yield precisely the same revenue and the same degree of protection to native industries such methods will undoubtedly in the end prevail.

In the second place, nations are growing less jealous of their so-called sovereign rights. Just ten years ago Russia protested against the countervailing duties on sugar imposed by the United States, and a little later against those imposed under the Brussels Sugar Convention, on the ground that its internal legislation was a matter simply of national concern, and refused to become a party to that convention because of unwillingness to submit such matters to international decision. Today Russia is a party to the convention, although exempted from some of the stipulations. Some countries still insist on full tariff autonomy, and refuse to conclude treaties that bind any rates for a term of years. Nevertheless, it is coming to be realized that the right of a country to change duties at will, whenever its strictly national interests may dictate, is of less economic benefit than the certainty that the rates in the tariff of some foreign country, in which it is peculiarly interested, will remain fixed. The belief seems to be gradually gaining ground that fair treatment abroad in adequate measure must be purchased by concession in return.

The more thorough study of the tariff systems in all America, which has recently been inaugurated by the Pan American Union, will, it is hoped, bring out the urgent need of greater clearness and simplicity in customs laws and crystallize the sentiment in favor of such reform. Its findings will be the judgment of delegates commissioned by the countries affected, not the criticisms of any outside authority, and will doubtless receive the recognition that they deserve.

DIRECTOR GENERAL BARRETT: Will you ask any questions of Dr. Rutter on the tariff?

MR. GORHAM: As to the tariff collected in Brazil, I understand that, supposing the duty of 100 milreis charged upon a certain article, 35 milreis is payable in gold. Does that mean that 35 milreis paper is exchanged into the corresponding value in gold, which would be considerable higher, and then added to the remaining 65 per cent. paper?

DR. RUTTER: If the duty is 1000 milreis, then 350 milreis, at the fixed gold value of 27 pence per milreis, must be paid; in addition to that 650 milreis paper money.

But there are other articles on which it is different; one-half in gold and one-half in paper, so that on some articles you would have to pay 500 milreis 27 pence in gold, and 500 milreis only in paper money; but, in addition to that, a surtax is imposed of 2 per cent. in gold on the official valuation.

The official valuation has to be obtained by a calculation. The tariff shows a certain duty. It gives another column showing that that duty is supposed to be 60, 50 or 30 per cent. Consequently, with those two factors you can ascertain what the valuation was on that article, and 2 per cent. surtax is charged.

Further, if the duty, in the case of Brazil, is an ordinary ad valorem duty—that is to say, if there is no valuation in the tariff, and the duty calls for, let us say, 60 per cent.—the foreign value is really increased, so that the duty works out at about 110 per cent. That is, for the purpose of converting the invoices to the value in milreis they count milreis as only equal to 12 pence, or 24 cents; but when you come to pay duty on it you have to pay for each milreis, that is on the 35 and 65 per cent. basis, about 40 cents for each milreis. If on the 50 and 50 basis, then you have to pay about 44 cents.

So that the result is to make the ad valorem rate very much higher than the rate printed in the tariff.

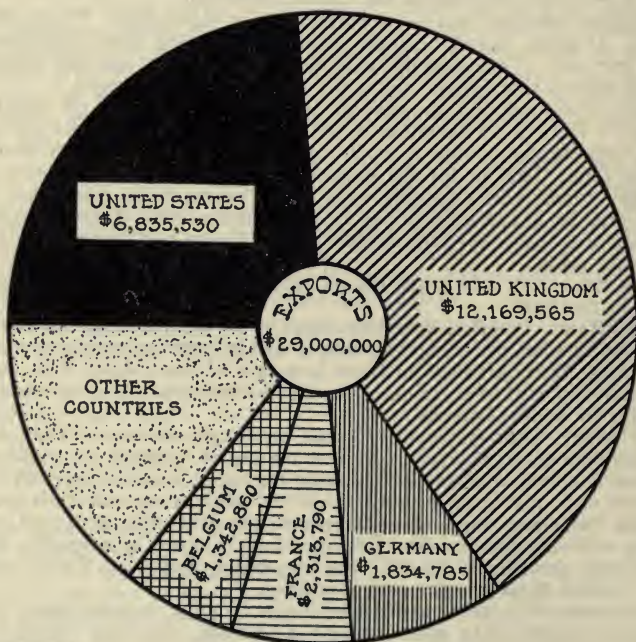
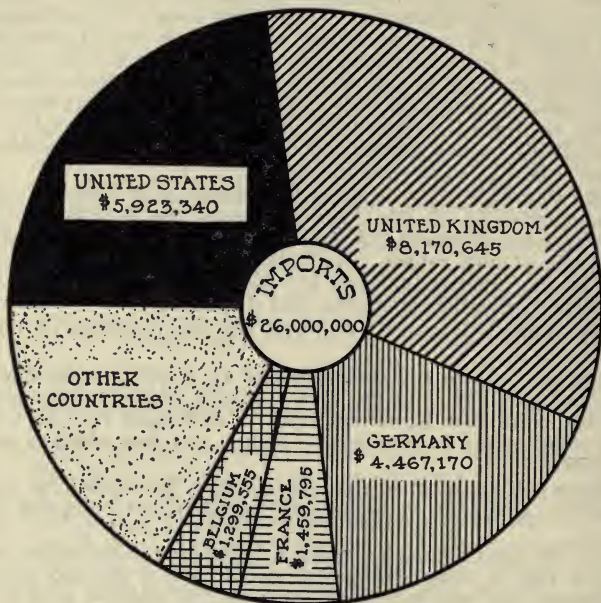
MR. GORHAM: I notice, as a rule, there is in the Peruvian tariff a valuation placed of so many soles per kilogram; that is to say, that the article is weighed, and then if it weighs 10 kilograms, and there is a rate of one sol per kilo, the value of that article collected will be 10 soles. I would like to know if that system is in vogue in any country of South America.

DR. RUTTER: That system is, I think, no longer in vogue; since last July a new tariff has been enacted which gives just the duties, without any legal valuations.

The word *aforos* is always misleading, meaning, I believe, strictly "rates." I am not certain as to my Spanish, but I think the word means rate.* It is sometimes applied to the valuation rate and sometimes to the duty rate, and, as I understand it, beginning with the first of last July the duty in Peru is a specific duty. The system that you describe is that of the Argentine Republic, Chile, Bolivia and Paraguay. I think those are the only countries.

QUESTIONER: On account of the high rate of duty, in some cases, take Brazil, for example, it seems to be more or less a practice of selling agents to request manufacturers to declare some arbitrary valuation.

• PERU •
 - COMMERCE - 1909 -
 \$55,000,000.



DR. RUTTER: Lower than the real value?

QUESTION: Than the invoice value. Now, what is the attitude of the Brazilian Government in a case of that kind?

DR. RUTTER: I have no means of knowing as to that matter. In connection with the point I was speaking of, whatever value you declare will be really increased by their method of valuing the dollar in terms of milreis. And it is possibly to offset that tendency to increase the value that the commission merchant gives you the advice that he does.

MR. PARKER: They fine you double the duty.

MR. FOWLER: Fine you double the duty, and I would say in answer to the question of the gentleman that this appraisement is designed especially to frustrate the attempt to under-value goods, because the value is so much per kilogram on the net or gross weight, the subterfuge or under-declaring of the value is of no help.

DR. RUTTER: Precisely—it is to get rid of the defects that accompany every ad valorem system. It makes the duty practically a specific duty.

MR. MANNING: In that connection, may I state that in Venezuela no attention is paid to the valuations, with the exception of four or five articles, and the general habit of the European exporter to Venezuela is to lower his valuation, because of the commission charge which is on the value of the goods for clearing them through the custom house, made by the commission of the importers; and that is one of the little tricks I spoke of in my talk the other day, that the European exporter has learned in doing business in many places in South America, where the duties are purely specific.

MR. GORHAM: Please answer the question more fully about placing the value lower on the invoice in order to obtain reduction in the amount of duty. All goods sent into Brazil have to be placed upon a consular invoice, and the Brazilian government will take the value upon that consular invoice as being absolutely true in every respect; and it is up to the manufacturer and the consul here to fix all values. The consul certifies that invoice true in every particular, and the Brazilian government accepts it.

DR. RUTTER: Is there no possible revision on the part of the government?

MR. GORHAM: I understand not.

MR. RAY: I think the consul certifies that he believes it to be true.

MR. FOWLER: I would further add that the consul of the country is entitled to demand the production of the original bill of the manufacturer before he will certify.

MR. GORHAM: I think there must be some sanction to this thing. We have been requested to do that, not only by local agents, but also by most of the experienced export houses to declare an arbitrary valuation, and we have declined to do it up to the present.

DIRECTOR GENERAL BARRETT: We are very grateful to Dr. Rutter.

I want you to try to get back as soon this afternoon as possible, and we will try and make things hum in the short time remaining.

Thereupon, at 12.40 o'clock P. M., the Conference took a recess until 2 o'clock this afternoon.

FRIDAY AFTERNOON

The Conference was called to order by the Director General at 2:15 o'clock p. m.

MR. PETERS: I rise primarily to thank Mr. Barrett for having given one of us from Kansas City an opportunity to be enlightened as we have been in this magnificent conference. We in the middle west need education, especially education in this line; and if Mr. Barrett could in some way bring out to us, in our own territory, some of his experts and some of the Government experts and some of his drawings and plans, into our own district, it would be appreciated, and he would receive a kindly welcome from our town.

DIRECTOR GENERAL BARRETT: We may try that another year.

I now have the pleasure of introducing Mr. Caswell A. Mayo, Ph.G., editor of the *American Druggist*, and of another publication, which is the organ of the drug trade throughout Latin America.

ADDRESS OF MR. CASWELL A. MAYO, PH. G., EDITOR OF
REVISTA AMERICANA DE FARMACIA
Y MEDICINA

Mr. MAYO said:

It is very kind of the Director to think of giving my good old English name the true Spanish pronunciation, Mio. When they showed pictures of Avenue de Mayo, a gentleman sitting next to me said: "Is that your place?"

The publication to which the Director has referred, the "*Revista Americana de Farmacia y Medicina*," deals with a particular, rather limited, clientèle, that of medicinal products. The proprietary medicine industry of the United States has reached that point where they must reach out. They have supplied all our eighty or ninety millions with pills, powders and potions, reaching to South America and building up a business down there.

In order to make a fair estimate of the opportunities for trade with the Latin Americas in medicinal and pharmaceutical products, it is necessary to consider the somewhat anomalous conditions existing in those countries as regards the development of medicine and pharmacy. We are prone to think of the Latin Americas as being undeveloped in somewhat the same sense as was the United States, say sixty years ago. This is only partly true. The resources of the country are undeveloped commercially, and among the lower classes there is in many countries a greater percentage of illiterates, but in the higher walks of life the development has kept pace with that of Europe. Thus we find that many of the physicians and not a few pharmacists have studied in the best schools of Europe. In fact the general educational equipment of the average pharmacist of the Latin Americas is probably superior to that of the pharmacists of the United States, and what might be called the cultural status of the physician is fully as high, if not higher, than that of the practitioner in this country, though his technical schooling, except where he has studied in Europe, may not be so good. These facts have an important bearing upon the export opportunities offered for medicinal products. From them we deduce that the masses of the people have yet to go through what may be termed the patent medicine era of selfmedication, from which the United States is just beginning to emerge. On the other hand the products offered to the physicians and pharmacists must conform in every respect to the highest requirements of modern scientific medicine.

The medical and pharmaceutical journals of France, and, in certain countries, of Germany and of Italy, are quite generally read by physicians and pharmacists of the Latin Americas and through them the readers are kept informed concerning medical progress throughout the world. But at the same time, the readers become familiar with the medicinal preparations of Europe. When they read clinical reports of results obtained by the use of some particular preparation, they naturally prescribe the same preparation. It will thus be seen that it is highly important that the physicians and pharmacists of the Latin Americas should be supplied with medical and pharmaceutical literature emanating from the United States, in which, naturally, references will be made to products prepared according to the standards prevailing in this country. Moreover, the leaders in medicine and pharmacy having been either taught or influenced by European ideas, are prone to underestimate the scientific development of medicine in this country. It is for this reason that the publication of a scientific journal devoted to medicine and pharmacy, printed in correct Spanish, is expected to be of benefit to every American manufacturer of medicinal products. This journal, the *Revista Americana de Farmacia y Medicina*, of which I have the honor to be the editor, will, it is hoped, help to dispel the erroneous idea held by many Latin Americans regarding the lack of scientific attainments in the United States.

The publication of a Spanish edition of the United States *Pharmacopæia*, the legal standard for drugs and medicines in the United States, has also helped us in the esteem of the physicians and pharmacists to the south of us.

But the superior education of these pharmacists has been along cultural and scientific, rather than commercial lines. He is to a large extent an individualist in his development, whereas with us there have arisen great groups of manufacturers who have taken over on a wholesale scale the manufacture of the pills, the powders,

the plasters, the tinctures, the extracts, the surgical dressings and the cosmetic preparations which are still made to a large extent by the individual pharmacist in Europe and in the Latin Americas, which in many respects follow European models.

These manufacturers of pharmaceuticals and allied products seek an outlet for their products in the Latin Americas and they are finding it. There are now not less than thirty expert salesmen engaged in the introduction of these goods in South and Central America. Closely allied with these purely pharmaceutical or rather galenical products are the proprietary pharmaceuticals, the elixirs, the syrups, the tablets, etc., which appeal to the physician. These are not intended for direct sale to the public. They are intended to supply to the physician a palatable, assimilable and effective preparation or combination to be prescribed by him.

A third class, and quite distinct from the other two, is the Great American Patent Medicine. The cureall of flamboyant advertising, the preparation whose name stares at us from billboards and whose testimonials fill column after column of newspaper space at so much the line.

There is generally in the Latin Americas a superior cultured class on a par in education and in general culture with the Latin races of Europe whence they are sprung. But there is a vast mass of working people who have still to go through the patent medicine era of development. That this fact is being appreciated and profited by, is evidenced by the remarks made by Professor Shepherd of Columbia University, who told of the familiar names which greeted him from street car cards, billposters and newspapers. The proprietors of these remedies are the men who are using and will still more largely use the popular newspapers of the Latin Americas.

There are several problems which present themselves to the manufacturer of these products which are not met with in the sale of other lines of goods and these problems we should like to present for discussion by the conference:

The first topic which I wish to bring up for discussion is one which affects not only medicinal and food products but practically every line of goods. That is the question of trade marks, the protection of property rights under trade mark laws.

We are informed in the call for the conference and in the program that criticisms of the countries interested will not be permitted. I infer that this means individual criticism. It will be permissible I hope to point out the serious handicap on trade imposed by lack of adequate protection of commercial property rights in trade marks and patents. In all the countries of the world there seems to be a tendency to give increased protection to trade mark rights. I hope that the Latin Americas will not be behind the remainder of the world in this, and that in their trade mark law they may turn more to the English than the continental model, may have trade mark rights protected more as a matter of equity than mere law and may recognize the principle that mere registration cannot give ownership if unsupported by use.

The regulations regarding the admission of samples, except when sent direct by mail to individuals, in most countries are drawn up so as to apply to clothing, machinery, etc. For instance, a single shoe, or glove, or half a yard of cloth, as a sample, will be admitted free of duty. A machine will be admitted as a sample under bond, to pay duty in case it is sold. But a sample of a drug, medicinal preparation, or cosmetic must be used by the recipient before any impression can be made. Spain recognizes this condition by admitting a pint of wine free as a sample. It is manifestly impossible to enter such products under bond and return them when they have been examined. The method ordinarily pursued in the introduction of pharmaceutical products or proprietary preparations is to furnish the physician with liberal samples and full information regarding the products. This information is usually, and best, furnished by a personal interview. Such is the method pursued in the United States and such methods have proven successful when followed in the Latin Americas. But the manufacturer who wishes to send a lot of samples into a country and to spend a considerable sum in bringing those samples to the attention of the physician, finds himself compelled to pay, in many cases, an extravagant rate of duty. Dr. Diaz Guerra, manager of the export department of Sharp & Dolme, of Baltimore and New York, himself a native of Venezuela, who has asked me to bring up this point, has already directed attention to the shortsightedness of such a policy on the part of the governments which follow it, from the point of view of revenue alone. The manufacturer who finds himself compelled to pay \$350 import duties on samples which have a commercial value of only \$25 or \$30 is some-

what discouraged in his efforts to build up a trade. If the governments would provide regulations admitting practically free of charge all genuine samples of this class, under such restrictions as might be deemed necessary, it is safe to assume that the few hundred dollars in duties thus remitted would bear fruit in the building up of the imports of these articles on a commercial scale which would yield many thousands of dollars annually. This imposition of a high rate of duty on samples is, in many cases, in effect prohibitory. The manufacturer decides that he will not undertake the building up of a trade under such adverse circumstances, and the government, therefore, loses the possible revenue which might be derived from the sale of such goods, altogether. This is entirely aside from any laws which might be enacted regarding the character of the medicinal products which are admitted. Such laws of course are wholly within the province of each particular country, but granted that a country is willing to admit any particular drug product, and that it wishes to encourage the importation of manufactured products from abroad, it would seem to be a shortsighted policy to practically exclude it by the imposition of prohibitory duties on samples which are intended for free distribution and consumption. The same conditions apply to proprietary food products and other proprietary articles which can only be tested by consumption by the ultimate consumer.

Another important point which exporters of medicinal products would like brought to the attention of the Latin American authorities is the apparently unnecessary variation in regulations governing the details of labeling such goods. For instance, the United States requires that the quantity of alcohol present in a medicinal product shall be stated as the percentage of absolute alcohol present. The Australian law requires that it be stated in the percentage of proof spirit present. The latter statement must be based on the former, and requires not only an additional calculation, but also a different label from that which conveys the same information under the United States law. We cannot, of course, offer any criticism as to the laws governing admission or rate of taxation on preparations admitted, but the point which we think might be well discussed is whether or not it is possible by co-operation between the authorities of the different Latin American States to frame regulations intended to accomplish the same results, so that the regulations themselves will be uniform in character. Since the citizens of these countries wish to buy, it would seem to be reasonable to ask that an effort be made to facilitate trade by bringing about a certain degree at least of uniformity in the detailed regulations made to enforce practically identical laws.

His Excellency the President of the United States spoke most hopefully of the influence for peace of international public opinion, the influence of the united opinion of the twenty-one republics of America. Is it not possible that this international public opinion may be favorably exerted on commercial questions just as it is making itself felt on political issues?

Will it not be possible through such bodies as this conference to impress upon the peoples and the governments of the American republics that both the importing and the exporting nation, both the buyer and the seller, are benefited by reducing to a minimum the friction caused by divergent regulations, by promoting the introduction of samples for free distribution and by adequate protection of trademark rights?

If this conference can succeed in impressing on the governments interested, our own included, the importance of these three points to the world of commerce, to the buyer and the seller alike, then indeed we shall have occasion to congratulate all concerned in the calling and the conduct of this congress.

We, representatives of those who wish to sell, have learned much from their excellencies of the diplomatic corps who have honored us with their presence, and from the consular staff and from the able experts of the Pan American Union. We have been taught—and are grateful for the teaching—what we should do to win the trade of our neighbors, or, as Mr. Santamarina puts it, “our brothers to the south.” I hope that it will not be considered presumptuous for us to offer on our part these suggestions.

DIRECTOR GENERAL BARRETT: I am now going to call upon a man who will talk on a subject with which he is very familiar from his studies and investigations, and who will tell us something that we all want to know about—newspapers and advertising—and that man is Mr. Harrison C. Lewis, who has made a very careful study and gone all over the field.

REMARKS BY MR. HARRISON C. LEWIS, NATIONAL PAPER AND TYPE CO., NEW YORK

Mr. LEWIS said:

I take for my subject "Co-operation." Some years ago, while going over a rough mountain trail in South America, I watched a Yankee trying to drive a six-mule team attached to a coach. He was driving Yankee fashion, and the mules, having been trained to a different system of guidance, were going in four different directions, and no progress was made. Then, at a word in Spanish from a man on horseback, an Indian took his place at the head of each mule, a dozen more got at the wheels and the end of the coach, the Yankee was very politely requested to drop the reins, disaster was averted and progress at once began.

This incident is typical of the attitude of those who are endeavoring to do business in foreign countries without first learning something of the methods and customs of those countries.

There are numberless things which may be said of the means necessary to obtaining business in the Latin American countries, but, unfortunately, experience has shown that methods which are essential and successful in certain countries are of little value in others. Any general rule or general advice is therefore likely to be misleading, and those who mean to go earnestly after this business must learn from careful investigation and experience the particular needs of each country and all the essential details affecting their goods.

The subject that I have decided to present to this Convention is probably not applicable to all houses endeavoring to obtain business in the republics south of us, but it may be applied with decided advantage in many cases. Our sister republics, as a whole, are not wealthy, nor are they thickly populated, and their buying power is consequently limited. This does not mean that there is not a substantial demand for our products in those countries, but it does indicate the fact that such sales as may be obtained by any concern working by itself carry a rather heavy selling expense. If this expense can be divided through increasing the sale of other commodities, the profit to the manufacturer is greater, the territory can be worked more frequently and more thoroughly, and the encouragement to the manufacturer to continue his efforts is increased. The greater volume of American goods going into that territory increases the general confidence in American manufactures, which has been somewhat weak, and creates an additional demand for them. This will insure a greater permanency of our trade relations.

The company which I represent, when it began to cover all the Latin American countries, undertook to combine in its selling organization practically all of the separate companies, handling similar goods, that had heretofore been doing business in that field, and it also obtained the representation of practically every large manufacturing concern in our line of business in the United States. We have even gone so far as to represent several competing concerns, dividing our business among them, in some cases on percentage basis and in others in such a manner as to satisfy the factories. In this way they have been relieved of all selling expense and have been enabled to make prices which will generally permit us to sell in competition with European houses, and they have, with scarcely an exception, done more profitable business than they could possibly have done through individual work.

By reason of this general representation we have been able to solicit business more extensively and more thoroughly and at less expense, and have in consequence steadily and largely increased our sales from year to year. The advantage of offering the goods of competing houses has been found to be of more value than was at first anticipated, for this reason: A merchant or a dealer in a large center may not wish to handle the same goods that his competitor sells, and our policy has enabled such merchants to obtain and control an individual line. In consequence of this the local merchant or dealer has been able to handle his business in our line with greater profit and with less investment.

I should therefore strongly urge those who are contemplating efforts to obtain business in the Latin American countries, and also those who are doing more or less business in those countries at the present time, to combine as far as seems practicable, so that their selling expense may be reduced, their selling prices be likewise reduced and a permanent business be created. This permanent business will, I believe, prove to be of great ultimate value if a consistent policy of fair dealing and rigid compliance with terms of sale be maintained, together with proper methods of

packing, concerning which we have much to learn, and with high and steadfast standards as to quality of material.

A central organization controlling the business of several houses with lines more or less similar can, in my judgment, handle this business with less expense and more facility, and with greater profit, than will result from individual effort, because individual effort is too likely to be sporadic and to lack the intimate knowledge of the customers and of local conditions, which is so essential in creating and maintaining any large business. The management of such a selling organization must be broad-gauged and liberal—and patient. The first results may not be entirely satisfactory, but experience will show not only what is demanded by the trade, but what will best meet the needs of each country, and with intelligent, farsighted co-operation on the part of manufacturing establishments, a business may ultimately be established which should prove of great value. Sudden or arbitrary changes or prices or terms of sale are decidedly unwise. The first and most important essential of doing a satisfactory export business is to obtain the absolute confidence of the buyers, and this can be done, in my judgment, more quickly and surely through a selling organization devoted entirely to export business than by houses attempting to handle this trade directly when it may be, of necessity, of relatively small volume.

There is not the need of supplying the same articles that our European competitors have furnished, though much has been said and written to the contrary. European houses generally have been disposed to offer to the Latin American trade the goods that would sell most readily. They have not fully taken into consideration the fact that the Latin is quick to see and to appreciate the benefits of using the best materials, and that he is always ready to consider the advantage of buying machinery or merchandise which will really help his business. He should, therefore, be offered the best article that legitimately meets his requirements, and time and patience should, if necessary, be used to introduce such articles rather than to endeavor to supply the same goods or goods similar to those which he may have been purchasing from Europe, which are frequently of inferior quality or not wholly suited to his particular needs. It is important to determine what best fills the real needs of the buyer, and though a business laid out on such lines may not grow rapidly at the beginning, it will grow surely, if properly handled, and it will be permanent.

In the same way carelessness, or indifference, to the legitimate requirements of the trade will promptly result in loss of business. *Make no mistake about that.* Nothing is "good enough" for the Latin American, in the long run, except the best possible thing for the conditions he has to meet.

It is difficult to realize all of the mistakes of practice and judgment that may be made unless a house is in constant touch with its trade, and this can best be done by a central selling organization having nothing else to do except handle export business. I should not advise the taking on of too many lines or of too many houses. Trade must be concentrated as much as is consistent with the maintenance of thorough work and a moderate selling price.

That there is a great field for American houses in the Latin American countries I do not doubt, and it is exceedingly gratifying to see American concerns not only making greater efforts to obtain this business, but using more intelligence and consistent endeavor than has heretofore generally been shown.

DIRECTOR GENERAL BARRETT: A great many men here have asked me about newspapers and advertising in Latin America. I know that Mr. Lewis has made very careful observation in this line. What he said here today has been excellent, and it is, I am sure, a pleasure for him to answer any questions not developed in his paper. Now, would someone like to ask a question along that line?

MR. COFFIN: I would like to know what sort of rates of advertising in periodicals like the *Ilustracion* of Buenos Aires, or any of those illustrated weeklies that circulate so enormously, quote.

MR. CHANDLER: I am very glad you brought that up, because it leads to something that must be brought before every one of us here. There are two papers, the *Caras y Caretas* and the *Zig Zag*, which are two of the most excellent advertising media that you could possibly have, and a great many of our people have advertised in them with profit.

As to the exact advertising rates, on the average just about the same, according to my recollection—of course, they vary from time to time—as the rates would be in similar publications here, and in some cases a little bit less. Each of those have a tremendous circulation.

One point more about that I want to bring out here. Some gentlemen, speaking of Buenos Aires, mentioned two English papers there. One of those has a circulation of 1500 and the other 10,000 in a city of one million three hundred thousand people. The best daily advertising media in Buenos Aires are *La Prensa* and *La Razon*, represented by Mr. Santamarina, and one or two other large papers, and I will be very glad, should anyone want to consult further about that, to speak to them later.

DIRECTOR GENERAL BARRETT: I am going to call upon a man who has made a most careful study of Panama and the Isthmus and how it is directly concerned with our trade, and he has been here through the whole conference and has manifested a great deal of interest in it, and at the conclusion of his paper I am sure he will be glad to answer any question. I have pleasure in introducing Mr. Forbes Lindsay.

REMARKS BY MR. FORBES LINDSAY, AUTHOR, AND EXPERT ON THE PANAMA CANAL

Mr. LINDSAY said:

Gentlemen, I hate apologies, but I will make an explanation briefly. I rose from a sick bed for this conference, and I have not been able to enter into the proceedings with the zest I should like to have. I may say that no other conference, convention, christening or any other function in the United States would have induced me to do so.

Twenty years ago the attention of this country was seriously turned toward Spanish America as a field for commercial expansion. Reciprocity agreements paved the way for the entrance of our goods, but just as conditions became ripe for action a combination of adverse circumstances obstructed the contemplated enterprise and diverted the efforts of our exporters to Oriental markets.

We entered a much more difficult market than we had anticipated. Nevertheless, we have made creditable headway in it, and it is no exaggeration to state that, should our manufacturers devote equal energy and money to the cultivation of trade with Latin American countries, our exports to them would be increased fifty per cent. in the course of a decade.

The effort is in every way worth while making, and conditions at present are more favorable to success than ever before—at any rate, each year that we delay this enterprise increases the difficulties with which we have to contend, for European nations are employing every means to strengthen their position and extend their influence in a market which they long since recognized as not only immediately profitable, but as holding unlimited promise for the future.

The trade of Latin America should be more desirable to us than that of the Orient. We may more readily establish friendly relations with the people of the former region. In many respects we have a community of interests. Their markets are nearer to us than any others, and in this connection I am thinking of the Panama Canal as an accomplished fact. In Asia, our goods will soon be subjected to severe competition with local products of the cheapest labor. The demands of Spanish America are more varied, the purchasing power of its populations much greater and the prospects of development infinitely superior to similar conditions in Asia.

Latin America is today the largest and best foreign market open to us. The question before this conference is, How may we secure as great a share as possible of the trade of this market, under arrangements that will involve the use by us of a reciprocal proportion of the products of the countries which receive our goods? It is a highly important question, relating to a vast and complex subject. Practically all the various phases of the matter have been presented and discussed in the course of our deliberations, and I shall restrict my remarks to two points, dealing with them only in a general way. These two points are, meeting and creating demand.

In a highly competitive market there are naturally many difficulties to be overcome, but I believe that none of these is as obstructive to the extension of our trade in Latin America as is the attitude of our manufacturers. That attitude finds expression in the oft-repeated statement, "These are the goods our factory turns out. If your people want something else, we can't do business with them." Such a stand was impolitic, but practicable a few years ago, when the domestic consumption exceeded our utmost output of most commodities. Then, in response to an inflated and temporary demand, we enlarged our mills and factories. Today we are suffering

from hypertrophy of capacity, and we must find new outlets for our production. No better channel than Latin America exists for the disposition of our surplus goods, but we can only secure the desired trade by conforming, with all the intelligence and accommodation possible, to the demands of the customers we seek. This is the way of our competitors. We must adopt it in a liberal spirit, foregoing, if need be, immediate profit for the sake of greater ultimate gain.

The British or German manufacturer does not expect his customer to adjust his desires to the practice of the factory. He never writes to his agent saying: "We make so-and-so; sell it or leave it." On the contrary, he urges his representatives: "Tell us what your trade wants and if we have not got it, we will make it. Let us know how your customers wish their goods packed, and marked, and invoiced. We will ship accordingly."

The European manufacturer will go to any length to accommodate the buyer and he does not question the reasonableness of the demands that are made upon him. A Manchester house made a trial shipment to Hong Kong of certain pieces of goods in cases the tops of which had been accidentally stenciled on both sides. In the second consignment the Chinese buyers, the shrewdest and most observant dealers in the world, missed the marking from the insides of the covers, and it was with the greatest difficulty that the local agent persuaded them that the goods were exactly like those previously sold to them with the same *chop*. They demanded the superfluous stenciling on future shipments, and for eighteen years that particular brand of calico has been supplied in accordance with their curious request.

Now an American manufacturer would have considered such a demand as too absurd and fanciful to merit serious attention. He is apt to look upon any modification of his usual practice as vexatious and unnecessary trouble and, in his ignorance of the conditions that affect the consumer, he frequently treats very important requests as matters of no consequence. The superintendent of a mine in Nicaragua complained to me of the failure of an American firm to comply with the instructions which accompanied his order. He had distinctly asked that the shipment, which consisted of about sixteen tons of machinery, should be in cases not exceeding a certain weight each. The shipper entirely overlooked these instructions or, which is more probable, deliberately neglected them under the impression that they were of no particular moment. As a consequence, the consignee had to unpack and rebox all the material in order to adapt it for the long carriage into the interior on pack mules.

Latin-American consumers appreciate the superiority of our goods and in many lines prefer them, even at considerably higher prices, to those of our competitors. They are, however, often restrained from ordering by experience of the American shipper's carelessness in the matter of instructions, and by the knowledge that the American manufacturer looks upon his Latin-American trade connections as a makeshift, to be abandoned or neglected whenever the demand of the home market becomes pressing. Some of our exporters have shown commendable enterprise in recent years by complying closely with the conditions of the demand and by pushing their goods with the steady persistency which they employ in the States. In every case, the results have been so pronounced as to afford ample and conclusive evidence of what may be accomplished by a general movement in the same direction.

Despite the laxity of our methods, American trade in this market has increased during the past decade at a greater rate than that of England or Germany. This is due to a number of concomitant causes, but mainly to the excellence of our products. In fact, we are quite equal to the competition, which has been much exaggerated, especially with reference to Germany. In many lines, as, for instance, hardware, tools, cutlery, there is a distinct reaction against the cheap and inferior production of that country.

Few sections of Spanish-America have passed beyond the earliest stages of development, but most of this sparsely populated territory is progressing. The standard of living is steadily rising among the people. Their wants are becoming greater and more diversified with the increase of their power of purchase. Under such conditions there are numerous opportunities for creating new demand. The observation, foresight, and close calculation, which are characteristic of our people, peculiarly qualify them for this sort of pioneer endeavor in commerce. The manufacturer who shall display the courage and enterprise to introduce his goods to a virgin field, in anticipation of the future development of the country, will surely reap bounteously where he sows the early seed.

Creation of demand necessitates the engagement of an agent who will be constantly on the ground and persistently pushing the goods. He should be a man sent

out from the States for the express purpose. The very best man available is none too good to send after the Latin-American trade, and moreover, he will be, in the long run, the most economical man to employ.

American travelling agents, as a class, are not equal in efficiency to those employed by European houses. The latter are generally, and especially in the case of the Germans, technical experts and accomplished linguists. They have the advantage of our representatives in the matters of tact, patience, and receptiveness to the other's point of view. In short, they possess that elastic quality which is expressed by the term *la simpatia*. Then again, Americans do not pay attention to the formal courtesy that is the universal habit of Latin-Americans. Our friends in the south believe that the social amenities should be extended to business relations. They cannot understand a gentleman having one set of manners for his drawing-room and another for his countinghouse, as is too often the case with us.

The key to success, both in the matter of meeting demand and of creating it, is knowledge of the market. We must study the conditions, and learn the needs and desires of the consumers. We must divest ourselves of our prejudices and cultivate a mutual understanding with our customers. Much may be done in these directions, and by sending a greater number of the right kind of men into the field, but I believe that complete success can only be attained by systematic and organized endeavor.

In conclusion, gentlemen, let me say that this is not a difficult territory in which to secure a footing. The people and their governments are well-disposed toward us. There is a readiness—almost an eagerness—to buy our goods, if we will make certain concessions to established commercial usage in Latin-America. We have an advantage over our competitors in a permanent agency, such as none of them possesses. I refer to the Pan American Union, which is maintained for the purpose of promoting friendly and commercial interests, and disseminating information among the brotherhood of republics that constitute the Americas.

Gentlemen, when we have corrected the misconceptions which stand in the way of a proper appreciation of our Latin-American neighbors, when we have gained a better insight to the conditions under which they live, their necessities and desires, we shall find in the countries of this continent to the south of us the best possible foreign markets for almost every kind of merchandise that we export.

DIRECTOR GENERAL BARRETT: I am sure we have enjoyed that very much. Is there any questions you would like to ask Mr. Lindsay?

I am going to call upon the very best known man in our country in his work, Mr. F. H. Newell, head of the Reclamation Bureau.

REMARKS BY MR. F. H. NEWELL, OF THE RECLAMATION BUREAU OF THE UNITED STATES

Mr. NEWELL said:

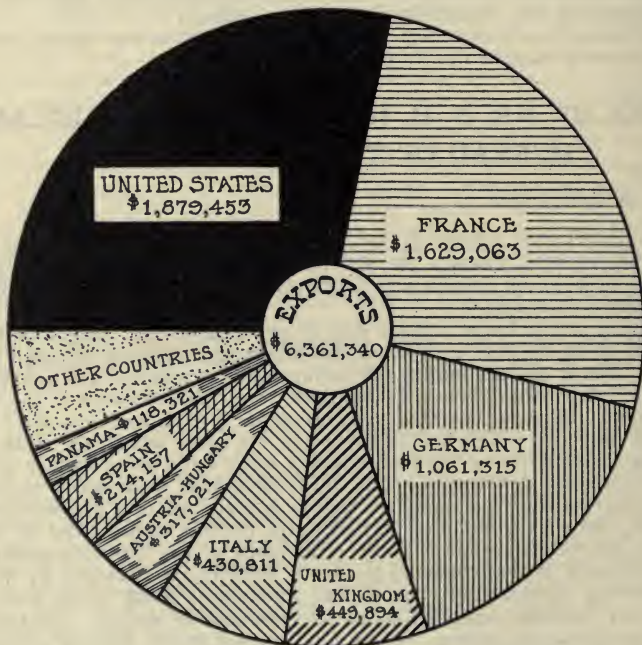
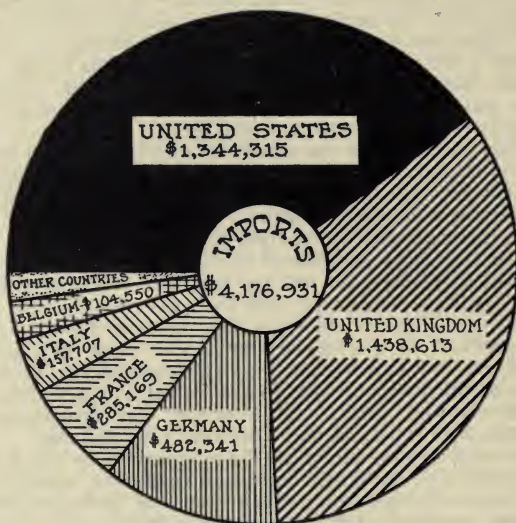
The subject that I wish to lay before you is one of the creation of homes, and of home markets, through the activities of the Government, and to illustrate what may be done in our enterprising countries by the results which you have accomplished in the United States.

As many of you know, a large part of our area is arid. It is a country which we think of, we in the east, as being a dry desert and deprived of many advantages of the east. But it has the inestimable advantage that many of the South American countries do, of a large amount of sunshine; and that sunshine is the basis upon which we are building not merely a civilization but a trade and commerce which has hardly been surpassed in any part of the world. In other words, the United States is utilizing the waste lands by storing the waste waters, the waters which go in floods and would otherwise destroy the homes, by holding back those waste waters, making the waste lands fertile, by bringing the waters to them and then providing homes free for the men whose lives might be wasted in the densely settled cities of the east.

Now, the same question is confronting many of the newer countries, or many of the less densely settled countries of South America, as is shown by the inquiries made concerning what our government has done and is doing in the west.

We have already expended about sixty millions of dollars. That money does not come out of the tax payers. It is a fund created by the disposal of public lands, set aside for the purpose of building works for the holding of the flood waters, for bringing these out to the fertile, but otherwise dry lands and for making homes

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 \$ 10,538,271.



which are open to every citizen of the United States. Each one of you present who is a citizen and who has not exhausted his homestead right, can go out and take forty or eighty acres, and get a title, if you live upon it five years, and will pay the cost of the bringing of the water to it.

Now, this is not a gift. The estimated cost of reclaiming that land is to be paid by the farmer, or by the seller who is benefited, in ten annual instalments. This money comes back to the Treasury of the United States and is used immediately again in building more works.

And thus we are building these large storage reservoirs in the west, bringing out the flood waters upon this thirsty soil and offering opportunities to each American citizen to come out there and make a home, not merely a place to live—but a place where he may make a true home for his children and his children's children. The result of this is that we are producing a population—I may say, incidentally, we have about 14,000 families already located there, the best type of citizenship that any country can produce. It is not the man who is mining, the man who is working on the street car or in a factory who makes a dependable citizen, but it is the man who has a little piece of land on which he lives, which is a home and from which he derives his livelihood and where his hopes are all bound up. As Edward Everett Hale has said, "Whoever heard of a man shouldering a musket and going out to fight for his boarding-house?" That is a whole sermon. The man who will fight not merely with a gun, but with his toil and influence is a man who owns a little piece of land, who is interested in schools, roads and every question which affects the best life of the nation; and we can not build up here or in other countries a more prosperous or more permanent citizenship than that built upon the ownership of small tracts of land.

Now, we are not trying to make the men rich; we are not giving them large, unlimited areas of land. We are allotting to each man sufficient to support his family; in some cases as small as ten acres, down in the southern part of the United States, where a perpetual sunshine reigns during the day, and where crop follows crop; and if he has children he probably will cut that up, because it will support a family. In the far north, Montana, we are making it eighty acres, and in some cases 160, on the basis of enough to support a family.

Those families are, all things considered, the most wealthy in the United States, in a certain sense that all their needs are provided for. They are the best buyers; they cultivate the soil intensively; they have something to sell, and they have the opportunities of buying the manufactured products of the east and of other goods.

And my story is told in simply saying this: That the opportunities for this conservation, as we call it, for this storage of the water, for the utilization of the waste resources in this country are hardly yet touched; and these opportunities extend throughout the Southern Hemisphere as well as the Northern. I thank you.

MRS. BELVA A. LOCKWOOD: Tell us where the land is.

MR. NEWELL: The land is confined to the thirteen western states and three territories—states from Nebraska, Kansas and the Dakotas west to the Pacific Coast. So that as I have said before, we have developed many thousands of farms in those areas.

MRS. LOCKWOOD: Do you mean the Philippines?

MR. NEWELL: I said "west to the Pacific Coast."

DIRECTOR GENERAL BARRETT: Banking has been mentioned time and time again. We have with us one of the best speakers on that subject in the country. Mr. E. H. Youngman, Editor of the *Bankers' Magazine*.

REMARKS BY MR. E. H. YOUNGMAN, EDITOR OF THE *BANKERS' MAGAZINE*

Mr. YOUNGMAN said:

Before entering on the discussion of a proposal to establish an American bank in Latin America or other foreign countries, it might be well to inquire, first, whether or not such a bank is needed; and, second, if found to be needed, what sort of bank it ought to be. These are very simple questions, perhaps, but to my mind they are of great importance.

First—As to the need of an American bank, or banks, in Latin America, opinion is far from being unanimous. We are told by some that the existing banks stand ready

to supply all facilities necessary to carry on trade between the United States and Latin America, and that no necessity exists for establishing American banking institutions for further developing our commerce. That view, I think, is not entertained by those who have a practicable first-hand knowledge of the subject.

Banking is not an entirely passive and impartial instrument of commerce. The railway or the ship may, possibly, be as ready to carry the goods of one nation, or of one merchant, as of another. Not so with banking. Each bank has its clients, as the lawyers have theirs. A bank selects its dealers, and deals only with whom it chooses. Sometimes the selection may be made from the standpoint of location, of particular lines of business, even of nationality. Banking may be cosmopolitan in many of its aspects, but the considerations named—and others that might be cited—have an important bearing on the business of those who deal with banks.

Besides, in many portions of Latin America, as in all partially-developed countries, a bank is other than a mere institution of deposit and discount. It assumes not infrequently the duties of a financial and commercial agent, with functions much wider than those pertaining to banking as generally understood.

If anyone from the United States should be in any country of Latin America, with a view to carrying on some particular enterprise that required banking assistance, to whom could he turn most confidently—to an American bank, to the native local institution, or to a French, German or English bank that might possibly be interested in defeating his efforts in favor of some rival? To ask this question is to answer it. And yet this is but one phase—and perhaps a relatively unimportant one—of this problem.

Certainly, few would be so rash as to claim that the banks in this country have thorough knowledge of Latin-American credits, or that they are prepared to grant credit on the terms necessary to place us in a position to compete on terms of equality with the European manufacturer or merchant in securing Latin American trade.

Nearly every activity of production and trade comes into contact somewhere with the business of banking. The perfection of a country's commercial machinery—its smooth and effective working—depends very largely upon the character of its banks. Trade between nations arises, of course, from the demand existing in one country and the ability of another country to supply that demand at the right price. But this ability to furnish goods at a salable price will, to no small extent, be governed by the efficiency of the banking machinery. We need not stop to inquire whether banks create commerce or not. It is enough to know that they greatly facilitate it.

There is no doubt whatever in my mind that an American bank, properly organized and wisely managed, would be a powerful agent in extending our enterprise throughout Latin America and in developing our commercial relations with our southern neighbors, to the great advantage of all concerned.

Primarily, this question in its narrower commercial aspect resolves itself into a matter of profit. If our banking capital can earn good profits, in Latin America or elsewhere, why should we debar it from going there, and under the conditions most favorable to success? For example, can any good reason be given why our National banks, of large enough capital, should not be given the privilege of establishing branches in Mexico and Cuba, now exercised by the great chartered banks of Canada?

Second—If it be conceded that our banking relations with Latin America are capable of improvement, and that our banking capital should enter that field, it next becomes necessary to consider what kind of bank would be the best. The National Bank Act prohibits, and as I believe wisely prohibits, a national bank from having branches. I can see no good reason, however, why our national banks of very large capital might not be permitted, under proper regulations, to have branches in the chief cities of Latin America, and in other foreign countries.

But I do not believe this to be the best solution of the problem. The European nations, as well as Japan and Mexico, have learned the value of specialization in banking—the desirability of organizing banks adequately equipped with the powers for doing the work in hand. Sometime we shall adopt that principle here. Let us adopt it now if we are to enter the foreign banking field with any hope of success. We must not venture into that field in our weakness but in our might. I think we have had enough already of weak attempts to establish American banks in certain foreign countries, with a result that might have been foreseen.

If we are to have a foreign bank worth anything, its capital must from the outset be large enough to command respect, and its management must rigidly con-

form to the soundest requirements of banking. An institution that would not only promote enterprise and develop trade, but that would add to our prestige and increase the respect of others for our business methods.

While it is very natural and proper that a bank of the character mentioned should find its first sphere of operations among our neighbors of Central and South America, I am of the opinion that its sphere should not be limited to those countries. I believe the time to be ripe for the formation of an International American Bank, with a capital of not less than \$100,000,000, having its head office in New York, with branches in Chicago, St. Louis, New Orleans, San Francisco, and in the great commercial centres of the world. It would, of course, be one of the first duties of such a bank to do everything essential to the mutual development of trade and enterprise between Latin America and the United States.

It is beyond my purpose, at the present time, to elaborate a plan for the organization of this bank. That is a detail for future consideration. Whether or not the sanction of Congress could be had for such an institution, I do not know. The prestige afforded by a Federal charter would be helpful, but may not be indispensable. It might be advisable to organize first, under State laws, a Pan-American Bank, and the capital might be partly furnished here and partly in the countries where the banks are to be located. It may be remarked, in passing, that the trust company is something practically unknown in Latin America. There are legal difficulties in the way of establishing such institutions there, though these may be overcome. Judging from the experience of the trust company in the United States, Latin America ought to furnish an inviting field for the establishment of such institutions. In fact, a movement is now under way to organize a trust company in one of the principal Latin American nations. The particulars of this movement I am not at liberty to disclose.

One thing we must remember—there should be international reciprocity in banking as well as in trade. If we expect to invade Mexico, Central and South America with our banks, we must expect the banks of those countries to come here. And if we restrict the operations of their banks here, we may expect them to throw like restrictions around our banks there. Already many foreign banks have agencies in New York and other American cities, but the State laws generally prohibit these agencies from doing a banking business; that is, they may not receive deposits, and thus their ability to make loans is largely curtailed. Can we reasonably expect that Latin America will allow privileges to our banks which we deny to theirs?

As the importance of the United States as an exporter of manufactured products grows each year, and competition becomes keener, the need of an institution like that herein suggested will become more and more apparent. It is wise to discuss this question now. It would be wiser perhaps to stop discussion and begin to take action.

One thing should be borne in mind—that the interests of those whom we are seeking to make our customers should be most carefully regarded. A Latin-American Bank whose operations might in any way serve to provoke the antagonism of the banks already existing, or that would meddle in political affairs, might do much more harm than good. But a Pan-American Bank, or one of the broader scope indicated, properly organized and rightly managed, would be a powerful instrumentality in developing enterprise and trade, to the mutual benefit of ourselves and of the other countries concerned.

MR. NOEL: I would like to ask the gentleman to tell us something about any successful American banks in Latin America, also trust companies.

MR. YOUNGMAN: That is a story, I think, very quickly told, because there are very few banks there of any kind. The International Banking Corporation, as you gentlemen are perhaps well aware, has a branch office in South America. I am not sure whether it has one in Panama or not.

MR. LINDSAY: It has one in Panama.

MR. YOUNGMAN: Thank you. I regret to say I have not visited Latin American countries. I did observe this in Mexico, however, and I would not wish to be understood as reflecting on American banks in Mexico—all honor for the strength and courage they have shown—but I did observe this, and I think it is a matter we Americans ought to think about: American banks in Mexico are very small, and, compared with Mexican banks, they must be called weak, so far as resources and capital are concerned. But what do you see? You see the Bank of Montreal and the Canadian Bank of Commerce, which are, of course, recognized to be great

Canadian banks and greatest on this continent. They have branches in the City of Mexico, while none of our American banks are equally represented.

MR. WALKER: I wanted to make a small remittance to Brazil, and I found I could not buy an international money order like I could if I wanted to send the money to France or England; but on consulting my banker he told me to buy a draft on London. Now, why could not I have used a draft on New York?

MR. YOUNGMAN: I am sorry to say I cannot give the answer to that question.

A little story occurred and came to me from a correspondent in the far East. He said he knew a case of a man who went to a bank with a draft drawn on one of the three or four largest banks in New York city, and, of course, among the largest in the United States, and that bank refused to cash the draft because it had never heard of this bank in New York. Let us start a bank they will hear about.

MR. WALKER: The authorities said the best way to remit money to Brazil was by London exchange. Why does not American banks' exchange go to Brazil?

DIRECTOR GENERAL BARRETT: New York or American exchange does go to Brazil, only there are certain banks that prefer to do it the other way.

MR. LOWE: All I can say is that I have made remittance to Brazil with a check on New York and it was accepted.

MR. OLT: I can answer that New York drafts can be sold in the city of Rio, but you cannot sell them at every bank. Your correspondent must go from one bank to the other. I know that from experience. I have bought New York drafts and sold them in Rio, and I have bought in Rio, drafts on New York and saved a slight amount in commission thereby.

QUESTION: I would like to ask whether it is true that United States money is not standard on the east and west coasts of South America. All authorities in this meeting have told me that pounds sterling prevails.

MR. MANNING: I was going to say that on the east coast I know I have seen American letters of credit in use a number of times, and no one has ever had any trouble cashing them at any Colombian or Venezuelan port, and I do not see why there would be trouble satisfying the bank, provided there was proper identification, and I have never found a place in South America where they would not rather have the American gold than any other money made in the world.

MR. LINDSAY: My experience is that if you are going to either the east or west coast a New York bank—and I have dealt with several of them—will give you a letter of credit in pounds sterling. I have never asked them why. It was good enough, and I have never made inquiry. There is undoubtedly some reason why it is done.

DIRECTOR GENERAL BARRETT: A New York letter of credit will be accepted on the east coast without any difficulty if presented to certain banks. I have not had any experience on the west coast.

MR. NOEL: I have known of a dozen cases. You can buy express orders and get them cashed in Latin American countries.

MR. MONTGOMERY: A letter of credit on New York will be accepted anywhere in South America, but in some countries it is preferable to have a letter of credit on London, that is to say, in pounds sterling, because there is less loss in exchange, and in some countries—Bolivia, Peru and Ecuador—the pound sterling circulates currently, and when you get your pounds sterling you have the money of the country. In Panama a letter of credit on New York is preferable, but, generally speaking, a letter of credit in pounds sterling is preferable in South America to letters of credit on New York, for the reason that you lose less in exchange.

MR. FOWLER: I would say that Ecuador, Peru and Bolivia all have gold coinage, which has an intrinsic value, called pound sterling of England; and Chile likewise. Although not down to the currency value of the pounds sterling, it has, nevertheless, intrinsic value corresponding to the pound sterling. It is quite natural pounds sterling would pass current, since it is made legal tender in many of these countries.

MISS ANNIE S. PECK: What I was going to say has already been said. I had a draft on the house of W. R. Grace & Co., and the English sovereign being a gold coin exactly equivalent to the Peruvian gold pound, of course you can see, if you take it in English gold, it is exactly the same; and if you have a draft calling either for English gold or Peruvian gold, of course it is very simple and much easier; no bother about reckoning, that is, in changing them into pounds, \$4.85, or whatever it is. You simply get your money and pay the equivalent in English gold through your dollars, and then you take it down there and you are all right. Of course,

that is very much easier and more simple than to bother with any exchange after you get there.

DIRECTOR GENERAL BARRETT: The sum and substance of it is this: English exchange is preferred at the present time for the good reasons given. A letter of credit on New York will be accepted if you give it at the right banks, though possibly not at quite as good rate as the other.

QUESTION: Why is it I can go to the United States postoffice and buy a money order payable in France, and cannot buy a money order payable in Brazil?

DIRECTOR GENERAL BARRETT: I think it is due, from my experience, to the fact that there is not yet an agreement to cover that in the International Postal Agreement in those countries, just as we have been developing certain phases of the postal service which Mr. Miles will speak on in a few minutes.

MR. DOWNS: I think you have a graphic illustration on the walls of the room here why English exchange is preferred. If you will look at the charts that represent the export of the South American countries, and compare the size of the blue with the other colors, you will see that the bulk of exports are to Europe; hence there is a much larger demand for remittance to Europe than to the United States, and hence English exchange is more in demand.

DIRECTOR GENERAL BARRETT: I am about to give you a very interesting, and, to me, a most tangible illustration of how far-reaching the influence of this Conference is in a very unexpected form. I am going to ask the distinguished Minister from Colombia, Dr. Borda, to rise while I read this little message that he has given me. He states he has received from Colombia, by cable, inquiry as to whether merchants in this Conference would like to interest themselves in enterprises such as railroads, electric plants for motive power and in purchases of tobacco and cigars which are as good as those from Havana, and in the trade of Panama hats and the exportation of petroleum deposits. If there are any delegates here interested in such subjects, the Colombian Minister will be glad to give any information, if they will kindly call at the Colombian Legation at the Portland, Vermont avenue and 14th street.

In this connection, I want to say to you, to show you the interest that is being taken, that every one of the newspaper correspondents of the Mexican, Central and South American newspapers in New York have been asking for full information about this Conference, stating that they had received orders to report what it was doing; and each night there has been going down 8000 or 9000 miles by cable; to the remotest parts of South America, the record of each day's proceedings. That gives an idea of the Conference's power.

We are going to have, in the closing, what I would call a sort of commercial praise meeting, in which all the addresses will be limited to three or four minutes, with just one exception.

By kind permission of Postmaster General Hitchcock, and by his own personal kindness, Mr. Basil Miles, of the Postoffice Department, who has charge of all negotiations for the development of the parcels post of South America, which is so very important to you all, has consented to come here and say a few words.

REMARKS BY MR. BASIL MILES, OF THE POST-OFFICE DEPARTMENT

Mr. MILES said:

I feel some timidity in speaking on such a big subject, but I think it is an extraordinary opportunity to bring to everybody concerned with our interests in South America what the Postoffice Department has been able to do and what we are still trying to do. At present there is a parcels post service to every country in South America and Central America, except to Argentina and to Brazil.

Conventions have recently been concluded with Brazil, and will go into effect very shortly; and with Argentina we are trying to get a convention; but there is a parcels post service to all those other countries, and you can send merchandise at 12 cents a pound up to 11 pounds in weight by the most direct mail routes, and with the certainty of the delivery and the simplest possible customs formalities; and also with the certainty that if the parcel does not get delivered, because the address is difficult to find, the parcel will be returned to you; and the same thing exists with

regard to those interested in the South American question in sending parcels to this country; and I personally feel that our relations in every way would be improved if people took advantage of the service more at the other end; in other words, if we got more parcels from South America. I am afraid to say it is twenty or thirty to one in proportion; and I do not know that all of the American exporters are familiar with the parcels post as operated. But I think I may describe, shortly, if I may be allowed to, Mr. Director.

The parcel is taken to the postoffice, and you put the requisite postage of 12 cents a pound on it, and make out simple customs declaration instead of invoice, and mail your parcel; and, in most cases, you can obtain a mailing receipt for your parcel, and, with certain countries, you can obtain a certificate that the parcel had been delivered. You can send all kinds of leather goods and hardware and cotton cloths; and I could go on enumerating the things that can be sent by parcels post. A great many of the large mail-order houses in the large centers are beginning to take advantage of it; but what I would like everybody to understand, both those who are concerned with the United States and also those countries in South America, is that the Postoffice Department is trying to develop this branch of the service, which is not provided for in the international mail. Under the Postal Union, under which all ordinary correspondence is transferred from one country to another, there is no provision for the transmission of any merchandise. You have got to pay the letter rate on it. You can send samples, it is true, but very limited in size and character, accurately distinguished and, in fact, absolutely of no use for commercial purposes, and must be proved so. But for ordinary merchandise there is no means of that conveyance in the international mails, except at the letter rate of postage, which is prohibitive, but by the parcels post. Especially for that purpose, the Department has built up one country at a time, making special arrangements in each case, a service which now, as I say, embraces every country in Central and South America, except Argentina—because I think we may consider Brazil as practically included, and only waiting ratification by the President of the United States; so that, excepting that one country, we have this service. And, personally, if I could be of any use in describing the system further or answering any questions I would be pleased to.

I might state, in addition to what I have said, that the postage rate of 12 cents per pound is considerably less than what you can send a parcel to those countries by express for—about one-third less.

DIRECTOR GENERAL BARRETT: Now, is there some question about the operation of the parcels post which some of you would like to know?

MR. GORHAM: I would like to ask if under the arrangements being made and having been concluded in regard to parcels post negotiations with South American countries we will be permitted to register parcel packages to all those countries?

MR. MILES: Not to all, but most of them. As a matter of fact you can register to all those countries, except Guiana.

QUESTION: I represent two or three important companies who have done business with South America. I would like to know if the general principle of the parcels post idea is to be conveyed or extended to South American countries, with reference to the idea of sending samples and pamphlets and other things under the conditions of those propositions, so that the postage to those countries would be commensurate with the parcels post in this country; that is to say, whether, paying the ordinary rate upon it would be the postage to those countries, and come under the lower rate of the parcels post in this country, and does the Government intend to extend that, encouraging the parcels post idea in the South American trade?

MR. MILES: I can answer that question by this, that the parcels post, as proposed, is called our "domestic post," which requires Congressional action. The postage rate is not definitely fixed, and as soon as it is established, the rate to the foreign countries will be considered in connection with the rate which may be adopted here.

QUESTION: I simply wanted to know whether the general principle would apply to South American trade under all the conditions in regard to breakage and everything else.

MR. MILES: It would be considered, doubtless.

MR. FOWLER: I would like to ask Mr. Miles, Mr. Director, whether any step is being taken toward an improvement at Panama. Many of us who trade on the west coast of South America experience the uncertainty of the mail service beyond

Panama. From here to Panama we have frequent service; from Panama down we have a first-class fortnightly service and intermediate service weekly. The express service will take your mail from Panama to Callao in seven days and to Valparaíso in thirteen or fourteen days, but very often that express collected at Panama is lost, because there is an inheritance of the former times whereunder the mails of Panama are delivered to the British Consul by the English line and to the Chilean Consul, but if those consuls do not happen to be there or it happens to be Sunday, the mail is lost; and in recent times the mail service is far worse than it has been for twenty years, simply because of the lack of the postal bureau in Panama.

I know complaints reach the Postmaster General at Washington. I would like to know whether any steps are being taken to remedy those conditions.

MR. MILES: There are. In the first place, the Postmaster General has a written contract route from New Orleans to Valparaíso through the canal, either fortnightly or once a month, stopping at ports. At present the Department is conducting an investigation to see how they can make those connections better, on the other side, particularly the fortnightly service from Panama down.

About the manufactured matter—I do not quite understand the gentleman's question, but there are a number of countries in South America with which the Department has been unable to conclude manufacturer conventions, and Brazil is one of them, I think, and Bolivia and Ecuador; and it is not the fault of the Post-office Department that the service does not exist.

DIRECTOR GENERAL BARRETT: Thank you very much, Mr. Miles.

Dr. W. P. WILSON, Director of the Philadelphia Commercial Museum, took the floor.

DR. WILSON: I wish to arise to a question of personal privilege before this Conference. There are certain times in such a meeting as this when you must take advantage of the presiding officer for a moment.

You have already realized the magnificent conduct of this Conference, and the influence which it may have for the next years covering Latin America. You cannot estimate, considering the information that we have gained here, the matter in dollars and cents. This Congress has been thought up and called together by our presiding officer, Mr. Barrett.

I want to suggest that before we leave we have a committee appointed here which shall recognize and take into due consideration the magnificent work which Mr. Barrett has done in this convention—in calling this Conference together.

The consideration of a question of this kind, or the consideration of the importance of this Conference, cannot be done offhand. I am going to propose, therefore, that we have a committee; that the committee be immediately appointed to take in hand this question, and to report here a few minutes later, and with your permission, if you will give me that permission, I am going to suggest that committee and have you ratify it. I will suggest a committee of seven, Mr. John A. Patterson, of the National Cash Register; Mr. H. L. Jones, of the United States Steel Products Association; Mr. Bernard N. Baker, of New Orleans; Mr. A. B. Farquhar, of York, Pennsylvania; Mr. Harrison C. Lewis, of the National Paper & Type Co.; Mr. W. M. Bunker, of the Chamber of Commerce of San Francisco, and Mr. C. A. Green, representing R. G. Dun & Co.

If the Conference is in harmony with the selection of that committee, will you please say Aye. There is no contrary.

I will ask the committee to retire and formulate sufficient resolutions, in harmony with the great magnitude and the influence of this Conference, to commemorate the act which Mr. John Barrett has so successfully and delightfully carried through, ending shortly, on this Friday afternoon.

DIRECTOR GENERAL BARRETT: I am sure you will excuse me from making any reply to that, because I feel that the gratitude should be from myself towards you, rather than from you towards me, because you have so cordially accepted my invitation.

I want to say that if there is any gratitude due me for what I have done here, that it must include the Assistant Director, Mr. Francisco J. Yánes; that it must include the Chief Clerk, Mr. Franklin Adams; and it must also include a number of members of my staff who have assisted me from the beginning in every way

possible: Mr. Wells, Mr. Montgomery, Dr. Albert Hale, Mr. Amores, Mr. Lacalle, Captain Fortescue, Mr. Babcock, Mr. Griffin, Mr. Hollender, Mr. Kolb, Mr. Baker, Mr. Sandberg, Mr. Mitchell, Mr. Kerbey, Mr. Martin, Mr. Godoy and many others of my staff, all of whom have worked unselfishly to make this occasion a success. The rest of the staff, who are not directly connected with the work of it, have been doing extra work in order that those on this committee could devote their time to you; and, moreover, I wish to express particular thanks to, and I believe that the gratitude is due them of the many specialists and authorities whose names are on this list, who have come here and given hearty co-operation in all of our debates and deliberations, and given their time and their energies.

Ladies and gentlemen, I say that if there is any gratitude it is upon my part towards you, as well as you towards me, and I shall feel amply rewarded if I know that the majority of you go away, feeling that we have done a little something here for the development of the Pan American commerce and comity.

Yesterday and the day before we were fortunate in having Bishop Kinsolving, who gave us a number of interesting short addresses. I am now going to call Father Currier, who has made an extensive trip around Latin America, who has written extensively upon that part of the world, and then the others will follow in quick succession—Mr. William E. Curtis, one of the best authorities, I am going to ask to say a word very soon.

REV. CHAS. WARREN CURRIER: I came here as a listener, not as a speaker, as a guest and not as a delegate; and consequently I was very much surprised when informed that I would be called upon to say something. What shall I say? The ground has been so thoroughly and absolutely covered in this magnificently managed Conference that, really, I am at a loss what to say. One thought flashes across my mind at this moment, and I shall reflect it upon you.

The question was asked this morning as to whether there was any American influence in the work of education in Spanish America; and I possibly may supplement slightly the answer of Professor Rowe. I think that in the last few years American influence in educational matters of Spanish America has been on the increase, especially in Brazil, for I am well informed that normal schools in Brazil were directed in the beginning by American teachers, American directors and directresses.

You are probably aware of the American influence that has been exercised for many years in the City of San Paulo. The educational center of Brazil, Mackenzie College, is under the direction of Dr. Lane. I may add Bento College, in the same city, is under the direction of two gentlemen who may be called Americans, Don Miguel Krause, who spent several years of his life in America, and Father Caton, an American by birth.

In Chile, the pedagogical system, until quite recently, was German; but in the last six years American methods have been introduced. Two years ago Misses Agnes Brown and Carolina Burson conducted normal schools in Santiago and Concepcion, and with great success. Dr. Barth, of Colombia, is an American; the director of the University of Cuzco; the director of astronomy of the observatory of La Plata, and also the director of astronomy of the observatory in Cordova are of our nationality.

Many instances might be suggested, but what I have said is sufficient for you to see that American influence in educational matters throughout South America is on the increase; and the Spanish South Americans, with whom I am best acquainted, are anxious that we should exercise that influence.

DIRECTOR GENERAL BARRETT: Mr. Curtis, we appreciate how kind you are to come, because of your serious accident. I just learned you were in the room, and I ask you just to say a word of greeting to this Conference.

I wish to say that Mr. Curtis was the first director of the Pan American Union, first as the International Bureau of American Republics, nearly twenty years ago.

MR. CURTIS: It is a great gratification to be here, and I should have been here before, but for a slight accident that has kept me at home. It is a great gratification to me, personally, because I have been trying to reach this goal, which Mr. Barrett has reached, for twenty-five or thirty years. I began to try and interest the people of the United States in the trade of Central and South America away back in 1884, and I feel that it has been a lot of hard work, with very little results. I remember once meeting a Methodist circuit rider, a home missionary down in Southwestern Missouri, and, riding along with him over the road one day, I asked him how long he had been there. He said he had been there for forty years. And

I said, "Have you converted anybody?" He turned around and in an indignant way he said, "Do you suppose that anybody could have come down into this country and staid forty years to tell people that Jesus Christ died to save sinners without getting somebody to believe it?" And that is very much my way. Salvation is free, but we have to offer all sorts of inducements for people to accept it. The commerce of South and Central America is free, but we have had to offer all kinds of arguments and inducements to persuade our people to go down and get it. They could have had it forty years ago, they could have had it sixty years ago, if they had had enterprise enough to have taken the offer of William Wheelright, who established the Pacific Steam Navigation Company, one of the largest steamship owners in the world, to cultivate that country and cultivate that trade.

People say, however, that our lack of trade is due to our neglect. But I think there is a more charitable construction to be put upon the situation. We have been so much engaged in our own affairs, we have had so much to do at home, our profits in trading at home have been so great that there has been very little inducement, except in hard times, for us to go down there; but we are getting to be a world power; our people are going everywhere, including Central and South America.

I am glad to see so many people here and so many people of this class; and it indicates that the merchants and manufacturers of the United States are taking an active interest and that the work that we have done has not been lost.

I thank you, gentlemen, for this privilege.

DIRECTOR GENERAL BARRETT: We are to be favored now by a gentleman familiar with Latin America, who was Governor of Panama when I had the honor of being Minister there, and was Special Envoy to Central America on the Panamanian Committee, General George W. Davis, who will say just a word or two.

GENERAL DAVIS: You observed that the Director in asking me to say a few words has prefixed my name by a military title, and in an audience of this sort it is very difficult for me to understand what function the military man has got to perform.

The whole of my life has been spent and passed in expending the money that other people have produced—farmers, merchants, manufacturers—and in that character I have been charged with certain duties and responsibilities; but here is a body of men who are looking to the extension of trade, to increases of resources, and my experience has not been of a kind to assist you or promote the ends that you have in view. Those ends, I take it, are that these blue segments and these graphic representations of trade with Latin America shall be increased in the future with a corresponding diminution of the segments in other colors. I take it is your object; therefore, it is based upon competition—a struggle for supremacy, a rivalry, generous and honorable, but that is your object to increase the area of the blue segments, and I hope you may be successful. It is worthy of the best effort.

I have seen a little of Latin America. Mr. Barrett has been kind enough to use an exaggerated expression, but what I have seen of it has convinced me that it has resources almost limitless; that it is but to have the guiding hand of its wiser statesmen to assure a most extraordinary development.

This last century for the United States has been one of wonderful progress. Mr. Laurier, of Canada, said in one of his recent speeches, "The Nineteenth century belonged to the United States, but the Twentieth century is Canada's." It seems to me that that is an incomplete expression—that Latin America should in the next century show what the United States has shown in the last.

DIRECTOR GENERAL BARRETT: I think it is most fitting that a committee be appointed to express appreciation to the members of the Governing Board of the Pan American Union, the Secretary of State and the Latin American Ambassadors and Ministers forming that Governing Board, who have given their hearty support to this Conference, by being present and making addresses. Therefore, if you have no objection, I am going to appoint Mr. Wilson chairman of the committee; and to select a few resolutions expressive of our gratitude to them.

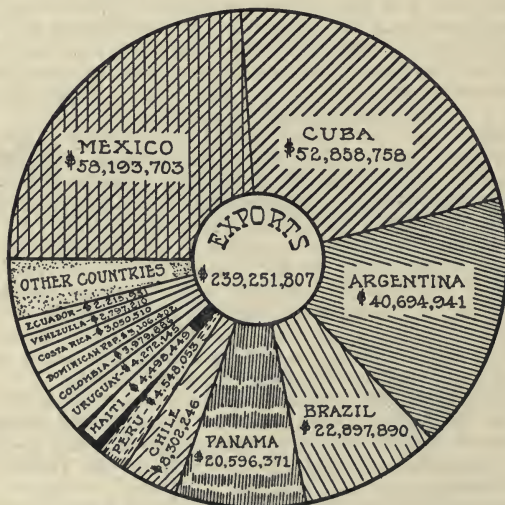
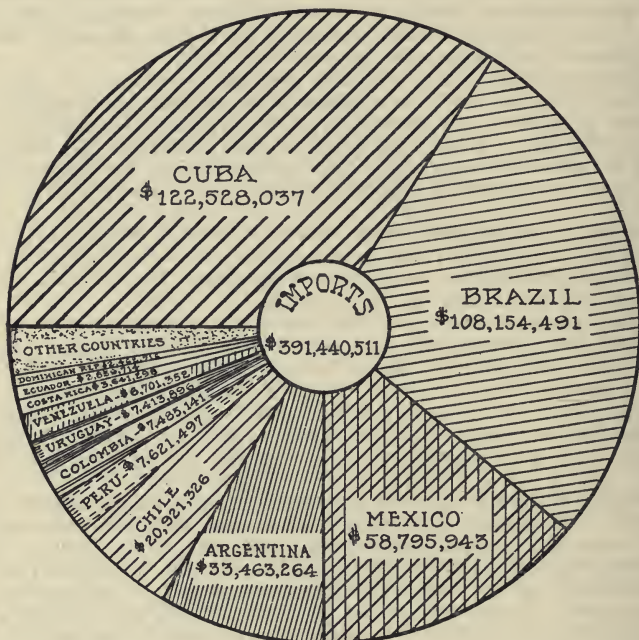
Now, I shall call upon Mr. Manning for just two and a half minutes—Isaac A. Manning, Consul at La Guaira, whom you have heard several times before.

MR. MANNING: I still have one little suggestion left in my system, and I must get it out. Therefore, through the courtesy of the Director General, I am going to offer it to you.

A great deal has been said about the influence of Americans in the educational work of South America. It has been very great, as Father Currier said, but the

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time has come, ladies and gentlemen, for the Spanish to have an influence on the education of the United States. The time has come for you to place your Spanish text-books in every public school in the United States. Every school in the United States should be required to teach the Spanish language to such a point that every one of their students should go out of those buildings with a full and thorough knowledge, for both commercial and social purposes.

One other thing about this matter of the traveling men mastering the Spanish language. A question was asked a day of two ago, "How can we get men to know the Spanish language and who can sell goods?" Salesmen are either born, or made after long, long days of study and hard labor. The Spanish language may be spoken by a man, but he may not, in any sense of the word, be a salesman; but if you have a salesman in your store, and you know he is a man whose character makes it possible for him to approach men, take him out of the store and pay him his salary while he masters the Spanish language in a school; and begin at this end of the line. That is the idea; and that is all I have to say, but I want you to take that right home with you and put it into practice and soon we will be getting this South American trade.

DIRECTOR GENERAL BARRETT: I think it is very beautiful; the energy that is behind that. I think if we could have all over this world souls like Mr. Manning there would not be any question about the balance of trade.

I am going to call now on Mr. Dudley Bartlett, of the Philadelphia Commercial Museum.

MR. BARTLETT: I come on a run, because I do not want to waste any time. When a new consul goes to a foreign country I have noticed that he does one of two things. He generally does them both, but the first thing he does is to write a report on packing. I think he is induced to do that for two reasons. First, because he does recognize the fact that it is necessary to call the attention of our manufacturers to their carelessness in packing; secondly, I think he does it because there is such a wealth of literature on the subject that is available that it does not require very much original composition.

Now, the next thing he is apt to do is to write to us about postage. I think nothing has been said about it. It is very important, although apparently the consideration of short postage on our foreign mail has not been developed here. I do not believe any consul in any country has not received many, many letters from the United States which have come with short postage. I have had brought to my attention hundreds and hundreds of instances; and not long ago I received from one man six envelopes, with cancelled stamps, which he had received in one mail. Each of these envelopes recently contained circulars asking his effort, and on those six envelopes, in order to take them out of the mail and open them, he paid \$1.20 in extra postage and fines.

You can overcome that in a very easy manner. I know one firm that has adopted this plan, and I want to make this suggestion to you: Adopt for your foreign correspondence either a distinctive letter-head and envelope, at least differing in color and size from the one you use in domestic correspondence. That will call the attention of your mailing clerk or office boy at once to the fact that that needs extra postage.

I am going to conclude with just a brief anecdote that I know our Minister Sherrill to Argentina would tell himself if he was here, and I am glad he is not, because I like the story and I want to tell it myself. I think it epitomizes this Conference—brings to a focus all that has been done here. It is a city boarder talking to his country host. He said, "Mr. Jones, does your cow give milk?" "No, son," said the farmer, "our cow does not give milk; we have to go and take it from her."

DIRECTOR GENERAL BARRETT: I am going to call now for three minutes on Mr. Deeds, of the National Cash Register Co.

MR. EDW. A. DEEDS, Vice President National Cash Register Co.: I am here in response to a number of requests from members of the convention asking us to tell what we do in South America. I am here, then, to relate to you facts, and will not undertake to make any suggestions as to how any of you should run your business in South America. What we are doing seems to us to be the best for our particular business; but we improve from time to time, and, if we can see some better way today, we will change tomorrow.

Our first agent was appointed in South America about 15 years ago, and

was unsuccessful. For the first five years, we made no progress in the Latin American countries. We failed because of lack of interest and direction on the part of the home company.

This failure led to an investigation of South American conditions. In order to make this investigation, a Foreign Department was established ten years ago. This resulted in a thorough study of Latin America. This investigation resulted in dispelling a lot of the "colossal ignorance" to which the Bishop so aptly referred in his talk of yesterday.

It is our firm belief that no one can succeed in South America without having visited the country and thoroughly studied its conditions and possibilities. The result of our investigations was the decision that the same policies which successfully market our goods in the United States would successfully market them in the other American countries. With this as a basis, we immediately set about to organize our Latin American business. To accomplish this, we did three things:

First—Appointed general agents. We believe our success in South America has been due largely to the great care and judgment exercised in the selection of these men. We selected men with established reputations; men who would be a credit to our company; men who had been and were successful men.

Second—The Manager of our Foreign Department in conference with these general agents divided up the territory and selected and appointed salesmen in these different territories. Here again the greatest care was exercised in the selection of men. The success of business in Latin America, the same as in any other country, depends upon the selection of proper men. We selected native, or native born salesmen, believing that we could more easily teach a native our business than we could teach someone familiar with our business the language and customs of a country.

There are those fine distinctions in language; there are those higher sensibilities which are cultivated in the Latin American races, which do not exist in our own; and it is our belief that a native from the United States can never be taught these qualities which we find so highly developed among our brethren to the South of us.

Third—and most important, was the thorough training of the agents, salesmen and repairmen in these countries. In the discussions here for several days there seems to be a tendency to recommend that we send men from the United States down there to sell the product. This inclination is brought about on account of the unsatisfactory results which many people seem to have had with the natives. This failure is without question due to the lack of training and not on account of the lack of ability of these men.

We insist that every general agent, and as many as possible of the salesmen and repairmen come to Dayton, Ohio, and take a thorough course in our school for salesmen or our school for repairmen. If it is impossible for them to come to Dayton, they attend the school in their own country under the instruction of someone who was trained in our home factory. This course of instruction covers from four to eight weeks, and is very comprehensive and thorough. Again, in order to keep up this school work, regular conventions are held in the different countries, the general agent himself instructing the men in the policy of the company.

In addition to this, visits are made by the manager of our Foreign Department to the agencies to the southward, and then in turn the general agents visit the factory often and receive general instructions in the company's policies.

To work this out took the second five years of the 15 years we have undertaken to do business in South America; but to appoint agents, divide the territory, hire salesmen, we found was not enough. It was of utmost importance to keep them enthusiastic; to instill into them the spirit of the home organization, and to do this, we found it necessary to treat them on exactly the same basis in every particular that we treat the people of our own country, but with a great deal more consideration than we do our agents at home. This is important, first, because of their long distance from us, and secondly, because of their highly developed sensibilities.

Indeed, gentlemen, when we hold a convention of foreign and home agents, we find that the representatives from the Latin American countries, on this score, are far superior to our own agents in this country; and in that respect especially are they worthy of emulation.

We found it necessary to have a broad, liberal policy. By that I do not mean a lax policy, but I mean a policy that is not narrow. To illustrate this fact, we pack our goods just as our agent wants them. We do this for three reasons. First, he knows how—and we don't. Secondly, we might save fifty cents on a box,

and in so doing knock out of him \$10 worth of enthusiasm. Thirdly, we believe the customs officials would rather see us in a spirit of compliance than that of defiance to their rules and regulations.

Fourthly, we print catalogs and booklets in the native language and we see that our translations are correct. We do not have our books translated by some teacher of languages, but we have some native of the country make the translation for us.

Fifthly, we have a definite advertising appropriation for Latin America, just the same as we do in this country, and carry on a consistent, continuous advertising campaign.

Sixthly, we print a house organ for the Latin American section in the language of their own country. We show here the records of the men and their pictures, and give to this publication just as much care and attention as we do to the one printed for the United States.

We at times hold international contests, and in so doing we make Latin America one of the divisions in this contest, and feature the contestants.

One of the best things we do is to give every agent in South America, and in fact, every agent in the world, a guaranteed territory. In other words, if some merchant from a city in Brazil should be visiting this country, and come to Dayton and buy a cash register, we would immediately credit the commission on this sale to the Brazilian in whose territory this machine was to go, even though the agent had nothing whatever to do with making the sale.

If there ever was a place where a square deal brought good returns it is in dealing with our South American people. After you once establish yourself in the confidence of these people, you will have no trouble in continuing this confidence; and, without it, the spirit of co-operation is impossible; and without co-operation, business cannot be successfully carried on in South America.

As I previously said, it took us five years to bring about these things and establish the confidence and co-operation which we now enjoy with our South American representatives.

For the past five years, or the third five-year period of the 15 years we have been represented in South America, the volume of our business each year has shown an average increase of 40 per cent. over the preceding year. In addition to this great increase in volume, we must not fail to note the quality, which is a great deal more significant to me than the quantity of business done. Taking the entire world into consideration, the percentage of high grade business to the percentage of low grade is higher in Latin America than in any other country. The world's record for the greatest number of high grade sales was made last year by an agent in Brazil. It is these two facts which encourage us in the belief that our method of handling the South American business has some merit, and if in what we have said in these few moments there is anything which will be of assistance to any members of this Conference, I shall feel that some little contribution has been made to the value of this Congress.

There is nothing mysterious in doing business with South America. The first thing, and the one which must be done by all means, is to send a competent representative there to study the conditions, and I do not believe anyone can make a visit there without becoming enthusiastic over the possibilities, not of a phenomenal business, but of a good, healthy, steady development. They will also be convinced that whatever has successfully marketed goods in our own country will market them there; and if that is the case, all that is necessary is to back this good judgment by dollars—and our South American trade will increase.

We, as manufacturers here at this Conference should not wait for the Panama Canal to open. We should not concern ourselves about the rates to be established. I think our few days here ought to convince us that there are more capable men than ourselves in charge of these matters. Neither do I think we should spend much of our time worrying over the ship subsidy proposition. That is in better hands than our own. Let us not wait until American banks have been established in South America before we start in South America. Don't depend upon Mr. Barrett and his bureau to get business for you.

It seems to me that our duty is to get on the first ship, whether it goes to England or goes direct to South America, but get on some ship and go down there and study the conditions and get started; and if we will all do that, and use our good common-sense business policies there, when the canal is finished and the ship subsidy determined upon and the banks are established, there will be some American

business to be transacted in these banks and there will be American goods to be hauled in these ships.

One of the speakers yesterday said that Mr. Nixon couldn't sell dreadnoughts in South America like we sell cash registers, and that the man who manufactures suspenders could not sell his goods in South America the same as Mr. Nixon sells his battleships. Certainly not! I only want to call attention to this one fact:

When Mr. Nixon wants to sell Uncle Sam a battleship he doesn't set Uncle Sam close to the Washington monument, bring his model ship down here in the river, and see what he can do with his guns to this fair city; nor does the suspender man sell his wares by blueprint and have compiled a lot of tables on the tensile strength of buttonholes.

It has been the policy of our company to market our goods in foreign countries in exactly the same way we market them here in this country, and I want to repeat that whatever will market goods successfully at home will market them in foreign countries, with simply the necessary modifications to meet the different customs of these countries.

DIRECTOR GENERAL BARRETT: That is excellent, Mr. Deeds. I would like to give you a half hour.

I will now call on a man who has just recently returned, holding a high diplomatic post in Bolivia, Mr. J. B. Stutesman, formerly United States Minister to La Paz.

MR. STUTESMAN: I regard this as one of the most significant and important conferences which has ever met in the Capital of the United States. I do not even except that which is now indulging in its deliberations at the other end of the Avenue. We have been much entertained and greatly edified, I assure you, in attending the deliberations of this convention. I have not participated, except by my presence, and by my most intelligent appreciation of those arguments which have been set forth here; but I have not yet been convinced why in fourteen of these twenty republics the balance of trade is against the United States, its natural depot. You gentlemen know better than I do why that is. I have my own theories. I have deduced from your arguments here that the first requisite is a proper kind of goods; goods which in quality and price shall meet that competition from other countries; men who are qualified by temperament, by acquirement—lingual acquirement, if you please, to sell those goods; men in your home manufactories who are qualified—and it is a great dereliction on our part not to pack those goods properly, so they will stand transportation; and lastly, and most important, vehicles for the proper transportation of those commodities. Until we have ships, I care not by what means they may be subsidized, until we have those carrying vehicles, we can not hope to compete successfully with European business men. That those ships will come I have no manner of doubt; and it is through your houses and your Bradstreet and your commercial agencies that this sentiment must be promulgated and fostered and cherished until ultimately it will be crystallized in due legislation from that body which will make it possible for us to have our own ships upon the sea, carrying the products of commerce under our own flag, because it is a humiliating experience to everyone who travels in the South American areas, either East or West Coast. My experience has led me from Panama to Arequipa, 2061 miles, and I did not see the flag of my country, save when we entered port it was raised in my honor.

My friends of South America and Central America, you must disabuse yourselves, and we are here to disabuse you of an idea which is more or less current in those Republics, as you all know, that this aggrandizement that we seek is not political. It is purely commercial; we do not want your territory, but we want that which it produces.

And I leave this with you. I greet you as a citizen of this country, no longer in official life; I greet you in the name of this Pan American Union, which has been such a wonderful agent in promoting the relation, commercial and political, between our republics; and there is no office in this Union more capably administered in our great United States Government. With this work, I believe in the future that the balance of trade of the fourteen republics will not be against the United States, and that the blue will ultimately be the controlling color in such future devices.

DIRECTOR GENERAL BARRETT: I am now going to call on a young man from Cuba, who has made a very careful study of the registration of trade marks, who is an acknowledged authority on that subject, and will in just a moment tell us what is the situation of the American manufacturers in that way, Mr. Aurelio de Armas.

MR. DE ARMAS: Maybe I am going to call your attention to a fact that most

of you who have already had business relations with South America have experienced in a very sad way—meeting those whom we call the “pirates,” those who steal your credit and register in their own name your well-known trade marks. There has been much complaint for years against that.

I am very sorry, and you all must lament that we do not have the pleasure of listening to the words of a man through whose efforts the union of the American republics, as represented in the Fourth Pan American Congress held last year in Buenos Ayres, was able to attain, and which the European nations have thus far failed to secure—I mean the unification of the patent and trade mark regulations and laws.

Here in the United States you are brought up and educated in the ideas and legal principles which have existed here for years, and you do not realize the conditions that exist down there. We have to be sorry to recognize that diplomacy is quick for worry, but slow sometimes in other ways; and maybe some time will pass until that Pan American convention goes into effect and is properly enforced. In the meanwhile, I recommend to you not to lose your time in criticism, but to know what other nations are doing, which is to take the best you can from the conditions which exist and which for the present moment can not be changed. The trade mark laws of the world are divided into two great groups—one, which is called the declaratory registration system; the other, the attributed registration system. Under the first group of laws the ownership, same as in the United States, is acquired through the use or occupation of the mark. In the other group of laws a case of ownership is acquired through registration only, and the mark is given to the first applicant. In the first group you have a few South American countries, including Santo Domingo, Honduras, Salvador, so far as I am informed; but in the other you have Argentina, Bolivia, Costa Rica, Cuba, Chile, Guatemala, Mexico, Panama, Paraguay, Peru and Uruguay. In these last named countries, you must be very careful to have your trade-mark registered before you advertise, or before you ship your products.

DIRECTOR GENERAL BARRETT: If anyone wishes to ask Mr. de Armas any questions you may approach him. He has prepared a pamphlet on the trade marks of Cuba, and the laws there, which will shortly be published, and which will be available for general consultation. Thank you very much, Mr. de Armas.

In that connection, I wish to state that in a letter regarding his illness Mr. Moore said:

“I was especially desirous of informing the gentlemen of the Conference in regard to patents and trademarks, as it is a very important subject and should be fully gone into and explained for their information, especially in regard to the results of the recent Pan American Congress, which adopted, after about eight weeks of thorough discussion, three conventions which I had the honor of preparing at the request of the President and the Department of State.

“I wish to take this opportunity of informing you, and possibly you may see fit to announce it at the Conference today, that the Committee on Foreign Relations and the United States Senate have approved all three of these conventions which I labored so hard at Buenos Aires to have adopted. I feel quite confident that the other twenty nations represented will shortly ratify these conventions. When this is done it will result in the greatest good to the people of the twenty-one nations represented at that very important congress.

“Deeply regretting my inability to attend and address the Conference today, and trusting it will not seriously disarrange your program, I have the honor to remain, with high regard, very cordially yours, EDWARD B. MOORE, Commissioner of Patents.”

DIRECTOR GENERAL BARRETT: I will now call on Mr. Thompson for three minutes' talk.

MR. THOMPSON: I am limited to three minutes to try to give your minds the practical and commercial result of having traveled through every country you see on this map, mostly by mule. I can only reduce it to a few words, and you may take it in the form of advice if you are so inclined.

I say this: Send better men to South America; send men with more admiration and more understanding and with more observation and with less criticism. People from this country should bear in mind that 300 years of trading with Europe has established a confidence in those countries which is very hard for us to reach in the few years of our activities in South America.

We are often inclined—I, myself, have been guilty of calling them in my

uncultured expression, "Oh, you half-barbarians; you are not civilized yet." And I got a very well-deserved reproach on one occasion by a man a great deal my senior, but with whom I lost patience; and after frequent remarks of that kind I made to him about some careless handling of explosives for mining work, he said: "Mr. Thompson, don't you call us barbarians, because we are not. We disagree with you on some things, but do not necessarily have to conform to your ideas. I will give you an instance of where you are barbarians." I said: "What is that?" Well, I want you to see the depth of this remark. He said: "You have ninety millions of people in the United States who eat because it is twelve o'clock." That conveys the thought of those people. They eat when hungry. They ask for goods when they want them and know how they want them. I think if we will bear that in mind that our future commercial relations with South America will be harmonious. As I heard Senator Root say this morning: "They want to deal with us; they prefer to deal with Americans, but there must be some harmony in the transaction." If we are going to rub them the wrong way and establish discord at every move, what may we expect?

As I understand trade, it means the exchange of something you do not want for something you do, and I want to see the blue, as has been pointed out before, enlarged tremendously, and my experiences down there have taught me to look with more fear upon Germany than upon England. I have personally met two representatives who report directly to the Kaiser, who are commissioners and patrol the whole west coast—see the man, see the buyer, see the banker, see the man who extends credit, and so on; hear his story, get him interested and give him individually the financial and moral assurance of their Government.

I want to conclude now by complimenting our consular service. I remember the time twenty years ago when our consuls were not what they might be, and I confess now that I traveled for years through South America under British passport. I was ashamed of the American passport. I say today we are having men like Mr. Manning and many other consuls, which has elevated the protection which we need in South America, and that gives us the moral support which is bound in time to increase the yearly showing which our worthy Department has done so well in attaining.

DIRECTOR GENERAL BARRETT: Three minutes to Mr. Louis D. Ricci.

MR. RICCI: In going to South America it is necessary to know that the Latin mind is very sensitive and sensible. They do not like to be told things the way we tell them here. They like to learn, but they want that kindness that must convey the true thing. They dislike very much to be told "You don't know anything; we know it all," and that is what we do generally when we go down.

You will find our American consulate very ready and very willing to help us. Something has been said about the language. The Spanish language is not very difficult to learn, but it is necessary to acquaint yourself with it if you want to do business. If you deal in railroads, it will not be necessary to speak it fluently, because most of the railroaders in South America are English or Belgian railroaders, and most of them know English thoroughly and can be understood; but if you go to sell talking machines you will have to speak Spanish, because most of the people that are there want to be spoken to in the language they understand. Consequently, it is almost impossible to be able to give a rule how to conduct the business. Each business is practically the same as they have in this country. In Argentine, for instance, you will find that our cash register is very well known, as they told you before, because they went at it in the right way. In machinery we are under the English and German, as a rule, because we sell a piece of our machinery with almost no finish. The English do not. They are nearly all hand-made, and in reapers they are more pleased with our machine than the English machine. The finish of our machines is not quite as good, but it never affects the sale of them.

My experience has been in Venezuela, and, consequently, what I have told you is more or less what I have learned there.

Paving—Today Buenos Aires has 5000 square feet made under our supervision, and in Buenos Aires they have streets much better than our own here in the American city.

Thank you very much.

MR. BUNKER, of the Committee on Resolutions: The Committee on Resolutions has this to say: Owing to the importance and great scope of the Conference and its sweeping success, the Committee on Resolutions finds it impossible to prepare

in a few moments a series of adequate resolutions. The committee therefore asks for the time necessary to properly mirror the spirit of the occasion.

It was moved, seconded and carried that the necessary time asked for by this committee be granted.

DIRECTOR GENERAL BARRETT: Inasmuch as this does not involve any matter of governmental policy, I, with some hesitation, admit that these resolutions are in order, even though they are to refer to the Director General and his staff, who do not feel they are really entitled to them, but only too glad to make you feel at home.

I will now call on Mr. William M. Benney, of the National Association of Manufacturers.

ADDRESS OF MR. WM. M. BENNEY, OF THE NATIONAL ASSOCIATION OF MANUFACTURERS

Mr. BENNEY said:

Gentlemen: Soon after the invitations to this Conference were issued the association which I have the honor to represent began to receive inquiries by letter and 'phone of this tenor: What about this Conference? Will it pay me to go? What good will it do me? Will there be many there?

To which I replied: "Go by all means. The objects of the Pan American Union deserve your support, and the energy and devotion of its Director General should have your encouragement. By going to the Conference you will help make it a success. If you know little or nothing about Latin American business conditions, you will meet men there who do know about them and be willing to tell you about them. If you are already familiar with those Southern lands and have an established trade therein, your experience will be helpful to others. Without giving away your own trade secrets you can stimulate the enterprise of manufacturers of other lines and help them avoid mistakes, for every mistake made in a strange land by one American casts discredit on the American name, while every successful American trade achievement in that land, every satisfied customer, enhances the value of things American. The mistakes, or worse, of a neighbor at home may be ignored; made by that neighbor in a foreign country may cost you time and money, as well as he, in overcoming the prejudice thereby established. If you don't care to make a speech on your own foreign experience, ask questions and draw out the experience of others."

The attendance at this Conference, I think, must be most gratifying to Director General Barrett and his staff. The keen interest in the proceedings shown for so many days by so large a proportion of the delegates is evidence that the Conference is a success.

I believe a large majority of those present would like to see a Conference of this character take place here periodically, perhaps annually.

There are many phases of the subject of international commerce on which I should like to talk, but time will not permit, and I will only ask your attention for a few minutes to a brief description of what a large proportion of leading manufacturers of the country have by united action done for themselves in promoting the foreign commerce of this country.

Sixteen years ago the Pan American Union had not found itself—had not developed into that efficient institution which it has become under the management of its present Director General. The Department of Commerce and Labor, with its progressive Bureau of Manufactures, did not exist. There were good men in the consular service, but as a body they were not keyed up to their work as they are now, nor were their reports so readily available. The manufacturers of that day found the home market depressed, business bad; they believed there were possibilities of relief in a foreign outlet, but the great majority were at a loss how to obtain a fair idea of the possibilities for their particular lines. The time seemed ripe for an organization to provide ways and means. As a result a convention of several hundred manufacturers was held at Cincinnati in January, 1895, and the National Association of Manufacturers of the United States of America was formed, embracing manufacturers in all lines and from all sections of the country—a truly national organization.

Its first two presidents were well-known Philadelphia manufacturers, and its offices were located in Philadelphia for nearly eight years. The association at once

took active measures for study and improvement of conditions affecting industry in general throughout the country and at the same time vigorously prosecuted work in the foreign field. Commissions and committees of members were sent abroad to Japan, to Mexico, to Venezuela, to the east coast of South America as far south as Argentina. The reports of these observers were published in numerous pamphlets and widely distributed. Correspondence was maintained with commercial bodies and firms in many countries, with the result that the association soon became as well or better known abroad than at home.

This correspondence was written in different languages, requiring replies in the same languages. A translation bureau was started for this purpose and also to afford the manufacturer a channel through which he could be assured of having his foreign correspondence treated with the same promptness and privacy as if done in his own office.

That bureau now handles tens of thousands of documents yearly, translated into or from over thirty languages.

The result of all this was many inquiries for American goods; also a desire on the part of the manufacturer to know something of the character and responsibility of the respective customers, for even in those days all manufacturers did not exact cash in advance. As a result, a credits bureau was gradually built up, two or more correspondents of which will be found in nearly every city of commercial importance in every country of the globe, with reports on file on thousands of foreign firms and facilities for securing up-to-date information by cable or mail.

But not all members made use of their privileges in carefully investigating customers' responsibility. Some also made mistakes in shipments. Results: trouble or disputes with customers, and the association called on for assistance. Frequently a friendly letter from the association has adjusted the matter without friction, and the customer has been retained for the manufacturer. In other cases vigorous measures had to be taken against a debtor, resulting in the building up of a collection bureau, which is successful in adjusting claims or effecting collections in a large proportion of cases in many countries through reliable attorneys in those countries.

But it would take altogether too much time on an occasion like this to tell you in detail of the many branches of work of the foreign department of the National Association of Manufacturers. Suffice it to say that there are also a bureau of foreign buyers for compiling rated or selected lists of foreign business houses, a patents and trade-mark bureau for looking after these matters in all countries, a freight bureau for taking care of a manufacturer's shipments from factory to customer, and a general information bureau for reporting on special conditions in any foreign market through the 1200 or more correspondents of the foreign department, and also a division for affording reliable information as to the customs tariffs of all countries.

Not least, and this I would like to emphasize, is what may be called an employment bureau, where record is kept of men who have the qualifications for and experience in representing manufacturers in the export field. Not infrequently a manufacturer has found through this bureau the right man at the right time. It is free to both applicant and employer.

With the removal of the general office of the association in 1902 from the great manufacturing city of Philadelphia to the great manufacturing and commercial city of New York, the center of our export and import trade, the offices of the association have become a mecca for the visiting business man from all lands, and I am glad to say with a constantly increasing number from Latin America.

But the association in its foreign trade work is by no means a one-sided organization. If it efficiently aids the American manufacturer in securing his just dues abroad, it is also ready and does assist the foreign business man who has a legitimate complaint against an American concern.

With a membership of over three thousand located in every manufacturing State of the Union, with its officers and committee working hard on many problems affecting manufacturers generally, it constantly employs about half of its office staff of 60 people on matters pertaining to foreign trade.

With an organization offering practical services in all branches of export trade, the association officially and its members individually stand ever ready to co-operate with our Government departments now so active in promoting trade interests, and with the Pan American Union in its energetic and comprehensive work

for the betterment of commercial and social relations with the other nations of these American continents.

While the manufacturer cannot hope to secure lasting business abroad without the same hard work and application and judgment that achieve success at home, he does well to acquaint himself with all the facilities afforded him through official sources and to take advantage of the privileges which the liberality of our Government and the Governments of our sister republics, aided by the munificence of a great former fellow manufacturer, have provided for him in this great temple of peace and enlightenment.

DIRECTOR GENERAL BARRETT: I will now call on Mr. D. M. Segovia, of Paraguay, to say just a word.

MR. SEGOVIA: I have nothing especially to tell you, because I did not know in time that this Conference was going on, and only as a visitor I just happened to come here today. I wish to tell the persons interested in railroad building and persons selling railroad materials that in Paraguay just at the present time there are under construction four different lines, and that they may do well in investigating the field, and they might sell some materials; and, also, manufacturers of agricultural implements, which are free of duties, that Paraguay is an agricultural country, and we are starting to buy American machinery.

We have a national bank, the National Agricultural Bank, which is at the present time buying large quantities, and the American manufacturers of agricultural implements may investigate the matter further. I would be glad to answer some questions relating to Paraguay. As I have said, I have nothing special to tell you at the present time. I am not prepared.

MR. FORBES LINDSAY: I had thought that every phase of this subject had been covered until Dr. Hale reminded me of a very important point that from my own experience is worth mentioning, and that was that traveling agents in Latin America, particularly South America, where the territories are large, are apt to overlook the smaller towns and thereby miss a good deal of good business. The towns of anywhere from 10,000 and lower frequently will yield good business.

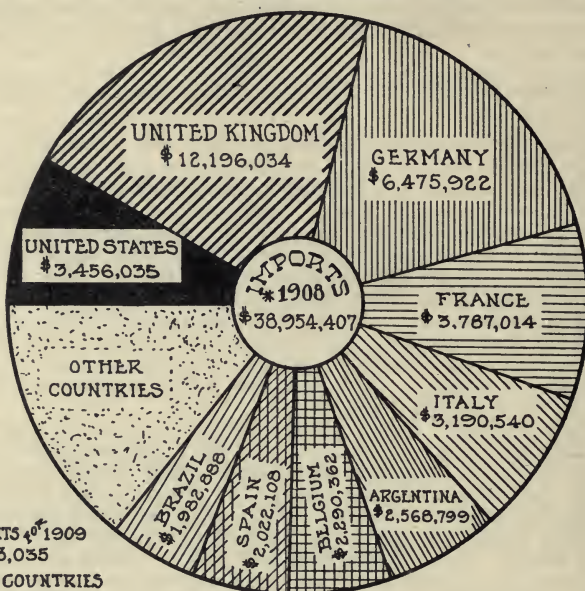
There is another point in connection with that. I might go further, and say that it is well worth your while to go into the interior districts and learn the needs of the people. I remember a point that came to my personal observation quite recently. I was in the interior of Panama last year—I have been there several times—and I noticed the demand amongst the people for canned goods in small packages. They are poor, you know—they are in the aggregate of their purchases, and this applies to the country people of almost all the districts. Their purchases are small, and the can they open today has to be consumed today. It occurred to me—I have not mentioned it in any direction—but it might apply to a number of manufactures—an 18-cent can of salmon, if it were cut up into two 10-cent cans, would sell quite readily where it does not sell at all now. There are lots of people who cannot afford to buy canned salmon at that price, because they cannot consume it all at a sitting.

DIRECTOR GENERAL BARRETT: I have kept our own experts in the background all the time of the meeting here to give room for others on the outside to answer questions. I will now call on Mr. Wells to say a word. Mr. Wells has for a long time been associated with this office, and has a very comprehensive knowledge of many things.

MR. WELLS: The only thing I have to say, gentlemen, this evening that will be of any value to you are some few observations on the Latin American tariffs. I speak of the Latin American tariffs, and I am going to say generally what cannot be accepted too accurately, for there is no generalization applicable to the twenty different tariffs. What is true in one case is not ordinarily true in another case. But there are two general underlying principles which it is well to keep before your mind in the business of Latin America.

The first thing with respect to the Latin American tariff is that it is a very different thing from the tariff of the United States, and founded upon very different principles and very different policies. We are accustomed to look at these things from the North American standpoint, which is entirely a wrong standpoint. Latin American tariffs are all revenue tariffs. Now, I do not mean to have you accept that literally, because here and there there are protective features; but I am speaking generally when I say they are all revenue tariffs, and all imposed for the purpose of collecting the most revenue. The purpose of those countries evidently—and I do not speak as knowing their purposes, because those are governmental things—

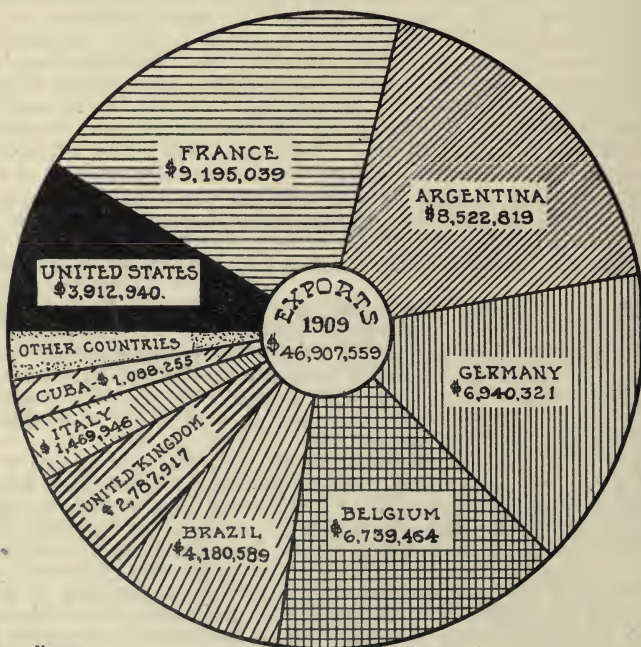
° URUGUAY °
 - COMMERCE - 1909 -
 \$85,550,594.



*NOTE:-

TOTAL IMPORTS *1909
 \$38,643,035

FIGURES BY COUNTRIES
 NOT AVAILABLE.



but the purpose is to raise the most revenue, and the tariff adjusted to that point at which it will raise the most revenue.

The tariffs are nearly all of them theoretically upon an ad valorem basis, which means, of course, goods pay so much of the percentage of their value as brought in. As a practical proposition that is not true, since it is not easy to apply an ad valorem tariff. Our tariff is generally an ad valorem tariff, but we maintain under that tariff a large corps of experts in Europe and the United States, whose duty it is to find out the value of goods so that the custom-house may not be imposed upon. These custom experts in Europe and the United States are not maintained by the Latin American republics. The consequence is that a pure ad valorem tariff could not be administered in Latin American countries except to divert a large portion of their revenues. For that reason all those tariffs are merged into a specific tariff by means of a second tariff, sometimes in Spanish called *avaluo*, which has been translated as the valuation of the tariff. Really, a permanent schedule is a better translation than any other. It means this, that the custom-house first determines what all goods are valued at—what they are worth. (Indicating a chair:) This chair is worth a certain thing—\$2. I am using a chair, but I do not mean to apply it to chairs particularly. They are valued at \$2, irrespective of what they are really worth. When you send your chairs in there, remember you are paying \$2 on them. The thing that you mark upon your invoices and the manifest shows is the thing that the custom house puts its duty on.

The effect of that has a double side to it. One is that, as a general rule, the higher-class goods come in at a higher tariff than the lower-class goods in the same class; for that very reason that the chair valued at \$2 or \$4 comes in there at the same rate as the \$1 chair. They do not take the chair as meaning chair; it only means an article.

Another view is that the thing itself, the identification of the thing itself, is a most important matter.

In the customs house of the United States, if you bring in a sable coat worth \$2000, these customs house officials know the value of that as well and better than you do, and they are going to assess it on that basis, and there cannot be any mistake. You cannot call it a rabbit-skin coat or anything else. It is very different in respect of the Latin American tariffs. The thing that comes in is the thing itself, and not as you use it. For instance, I can show you a common article of furniture in use in Latin America which is never imported, which the statistics of the country show absolutely there are no importations of, and yet they are found there and they are of foreign make. The reason for that is that the things come in as the material of which they are made—some other shape. I was asked to state how many billiard tables there are in Argentine. The Argentine Government reports none imported, and yet billiard tables are found to be as common there, and more common, perhaps, than here, as Mr. Chandler knows; but there are no billiard tables made in Argentina.

The European manufacturer and the English know where the billiard table is made, and it is up to the American manufacturer to find out.

DIRECTOR GENERAL BARRETT: Just a word, Mr. Curt.

MR. CURT: This week has been one in which I can say that I have had the largest honors conferred upon me. I have had the honor, first, to have been appointed a delegate for the Chamber of Commerce of Chicago, one of the largest in this country. Besides that, after coming here to Washington, I have had conference with various Senators and Congressmen and the President of the United States, and when I spoke to those gentlemen I mentioned something in regard to the Pan American Conference, and they all unanimously said it was one of the greatest events in the history of the country as far as the commercial propaganda is concerned.

Gentlemen, after so many able speakers have occupied this place and given us so many suggestions and good advice, what can I say? I know very little about the export business; I know a little about Latin America. I want to say to you it is not a matter of personal interest, but the other day someone here in the audience mentioned a little country away back in the West Indies, perhaps known to the majority of you. No one described that little country and its activities. I am proud to be a Porto Rican! There are only one million inhabitants in that country; its area a little over 3000 square miles, which is pretty good. Gentlemen, do not forget that little place over there. We want your business, and we want you to feel at home there as well as here. We like you, and we want you to do business with us.

Now, let me say a word about our hopes. Today as I was speaking to the representative of our country the Senate passed a bill in regard to Porto Rico. I do not want to discuss that point, but let me say once again, in regard to the trade of the Latin American countries, I firmly believe that ten years from today, if a conference of this kind is held in this country, you will see that the United States has increased about four times the value of business owing to the present Conference that is being held.

I have never been in a place where I have been so instructed as I have this week here.

DIRECTOR GENERAL BARRETT: Perhaps no one has worked harder for the success of this Conference than the chief clerk and editor of the Bulletin. He has been on guard night and day. I will ask Mr. Adams to address you.

MR. ADAMS: I will give my two minutes to someone else. But I want to direct the Association of Manufacturers to this idea: I do believe it is time now that we launch a trade excursion to Latin America. I have not had an opportunity of speaking to Mr. Barrett about this, but I am quite sure that he will concur in the matter. There is a great field in Latin America for trade if it is approached properly. What a fine chance we have for chartering a vessel, taking our passengers down there and using all the cargo and space for exhibits; have the vessel electric lighted and then go in the port with band playing, invite all the people to come down and see these exhibits, give away the samples, and then go to the next port, at the same time gaining some information about the country.

You could make the first trip down from the Caribbean, and the next year following go down as far as the Straits of Magellan. Every now and then a vessel is built on the Atlantic coast for delivery to San Francisco or for the Alaska trade, and that vessel does not have to come back. With such a vessel you would have very small expense, could make all the ports you want, and in that way have them acquainted with our samples and our trade.

DIRECTOR GENERAL BARRETT: I will now call on Mr. John Vavasour Noel, the Editor of *Peru Today*.

MR. NOEL: I regret very much that temporary infirmities have prevented my taking a more active part in the Conference. At the same time I feel I have tried to do my share in this work; it has my enthusiastic support and comment.

There is one thing upon which I would like to have spoken if time had permitted, and perhaps, as Mr. Barrett has said that the last part of this afternoon was to be a "commercial praise meeting," I might now call your attention to the fact, not in any dramatic way, but I am the only and first American publisher in South America, and I wanted to speak to you on the subject of newspapers and advertising, and can only cull from the observations and ideas in my head one little story to illustrate the difficulties of establishing a news service in Latin America. It is necessary to have there correspondents who have the American mind for news and correspondents in this country who have the Latin American idea.

I will briefly relate the experience of a well-known press association in Mexico some years ago who established agents and wrote to various places, and thought they were going to have a very fine news service to cover Mexico. An earthquake occurred in the coast region, and they waited for the local correspondent, a Mexican gentleman, to send them some word about this catastrophe which had destroyed the entire city of Chipancingo. They waited in vain, and finally wrote him: "Telegraph full particulars quick," and they received a message, the reading alone of which gave a faint impression of the sorrow of the writer, who said: "Our fair city in ruins. I refrain from harrowing details." Such was the experience, and illustrates the difficulty in securing the proper sort of correspondents to furnish the news wanted.

I asked a young man, Mr. de Armas, a question about banks, because I wanted to bring out the point of the great success which has been obtained by one bank in Latin America—the National Bank of Cuba. I would like to call his attention to a study of that institution, and there is a field in every Latin American city for such a bank, which has done a wonderful work. I will tell you that there is not a country in Latin America where more than half of the capital can be subscribed if the initiative is taken from this country.

I shall avail myself of the generosity of Mr. Barrett to make one more remark, and that is that while a great deal has been said in criticism of the American manufacturers in not securing the amount of trade, at least we can point to American

energy and enterprise in the upbuilding of the South American Continent in railway enterprises.

Mr. Curtis made a reference to Mr. Wheelright. Mr. Wheelright had a great deal to do with the establishment of the Pacific Steam Navigation Co., and also I wish to mention the names of Mr. Meiggs, who built the railways in Chile and in Peru; and Colonel Church, who recently died, identified Madeira-Mamore Railway.

DIRECTOR GENERAL BARRETT: Everyone must keep within the limit, with the exception of the closing speaker, Mr. Graves; that is final. This is the last day and the last hour of our session, and this rule must be followed.

I will now call on Dr. Hale, also of our staff, who has worked so hard, to say just a word.

DR. HALE: One little point I have kept up my sleeve; nobody stole it from me, and that is about packing. Do not laugh! You all know how to pack. Awhile ago you had before you the German patent clamp, and then stopped at the box of hay. Learn where the box is going to, because every port in Latin America differs. Some land on the wharf, some may be lightered from ship in a launch, and that sort of thing. After it reaches the shore, maybe it will go to the railway, from the railway to the cart road, and after that it may go on mule. And if you can pack for that mule you will do better than you are doing now.

DIRECTOR GENERAL BARRETT: I will now call on Captain Fortescue, of our staff.

CAPTAIN FORTESCUE: I had the pleasure of spending my leave last September in Mexico, and I would like to call the attention of the delegates to just where Mexico is. We know it is pretty close to the United States. There are about six lines of railway that go from the United States into Mexico. You can go by Pullman train from New York city to Mexico City. You can go by some of the best steamers on the water from New York city to Vera Cruz and to Mexico City. The return trip costs \$125, and you can do it in about three weeks from New York.

Every United States citizen should visit Mexico. The history of the country is magnificent. Think of Cortez and his men when they went up to Tenochtitlan in his fights on the road from Vera Cruz to Mexico City; see every pass the Aztecs held and the snow-capped volcanoes watching over all. See Chitzen Itza, the ancient city of the Aztecs. There is nothing like it outside of Egypt.

Let us take up trade. In 1875, \$26,000,000 worth of exports came from Mexico; last year \$130,000,000 worth. Of this the United States gets about \$98,000,000, or 76 per cent. Although a very good share of it, I do not see why, with the geographical situation of Mexico, the United States should not have 99 per cent. of the commerce of Mexico. I will not speak longer, as Dr. Carreño has already so ably covered the subject.

DIRECTOR GENERAL BARRETT: I want to say in regard to Mexico: We were addressed on the first day by Hon. Joaquin D. Casasus, former Ambassador of Mexico and now Special Ambassador, and the following day Dr. Carreño, of Mexico, delivered a very comprehensive address. We have not taken up Mexico, because it is so close, and so much information is available, and such a large percentage of our manufacturers have been down there and are very familiar with it, and we have in this institution all the information you may desire in regard to Mexico, and have many men thoroughly familiar with it and can answer any questions you may desire.

Just a word from Mr. Dickinson, who has traveled extensively in Latin America. He has been here all through the Conference, and has been of use to us.

MR. WM. M. DICKINSON, Otis Elevator Co.: Gentlemen, I think the most significant thing I can say to any of you who wonder whether or not there is trade for you down south is simply to describe the business by which I get my bread and butter. I am in the passenger and freight elevator business, and I want to amplify the remarks of the representative of Lafean & Co. You have gone through a great many cities of Latin America, and Mr. Chandler spoke about there being a few elevators there. Last July there were 1240 in the City of Rio Janeiro alone.

First, how the business works out. I would like to call your attention to two points from which orders come.

You have heard about the Madeira-Mamore Railway, away up in the central part of Brazil. Within two weeks one of our directors has come back from the town of Manaos. I wish you could see away up in the center of Brazil, a thousand miles up the Amazon River, where he just put in one passenger and one freight elevator of a modern type, steel rails, etc., such as we would put in New York city.

The other night most of you were here and heard that splendid address by Mrs. Adams. One of the first pictures showed a little glacier. Right up near that glacier, at Punta Arenas, within the last month we received orders for two elevators.

Go to the centers first, as they have said; and, by the way, go yourselves. There is enough of interest for you to spend nine months all up the Amazon, down, across, through the tunnel at the mountains, across to the west coast, across Panama, over to Jamaica, along Cuba, to Mexico, and up Yucatan. We think of Yucatan as Indian. But it is worth while, and I think that you will find plenty of business; and if you go yourselves you will know where to spend efforts and where to save your money. Thank you.

DIRECTOR GENERAL BARRETT: I saw the distinguished Congressman, Julius Kahn, here. Before I call on him I want just three inspiring words from that hustling vice-consul of ours at Buenos Aires, who is able to talk four hundred words a minute.

MR. CHANDLER: We hear a great deal about what kind of goods to send to Latin America. Now, that is the main point, the goods. One thing that most efficient instructor and upbuilder of trade, Consul Manning, has stated, which is very important, is the commercial training of young men. At the present time there is only one high school of commerce in the country. This requires a three-years' course in Spanish, and it is in Boston, while a great work is being done by Dr. Wilson's institution in Philadelphia. As he aptly said, the study of those subjects ought not to be confined to one or two great centers alone, but every city in the country ought to be doing it. It is most important; we cannot possibly over-estimate its value. Every man here ought to take a part in the promotion of the study of Spanish, because we have got to build up a corps of trained men and get after these countries the way our business rivals, Germany and France, do. The Germans are teaching their young business men to read, write and speak Spanish as well as English. They must not merely know goods, but know what to do with them in those languages.

Another thing the great universities have been taking up in the last three or four years, to their credit, is the study of commerce and useful modern languages, especially at Harvard, and lately Columbia and other universities are making that as much a profession as law and medicine, the science of salesmanship.

We have been so fortunate here as to have a great many experts talking to us, notably William C. Downs, and if nothing else comes from this Conference we will be compensated. I want every man to work for Spanish; get everybody to learning Spanish, and I want to see French, German and other languages in every high school in the country, and then we will have the men to get this business.

DIRECTOR GENERAL BARRETT: That is the kind of men we have had here working valiantly all the week.

Congress has decided that the great exposition to celebrate the opening of the Panama Canal shall be held in the city of San Francisco. As that will have so much to do with the development of trade with Latin America and with the practical uses of the Panama Canal, I am going to allot five minutes to Hon. Julius Kahn, Member of Congress from California.

ADDRESS OF HON. JULIUS KAHN OF CALIFORNIA

Mr. KAHN said:

Mr. Chairman, Ladies and Gentlemen: I remember as a little boy in the State of California, when the Chilenos, as we call them, had their celebration on the anniversary of their independence. There is not a South American country, there is not a Central American country, that is not represented in the State of California; from the southern boundary right up to the northern boundary everything speaks of the Spanish origin of our State. From San Diego to del Norte, and from the Pacific over to the Sierra Nevada Mountains, all tell their story of the early Spanish and Mexican explorers who helped to build up that magnificent Commonwealth.

There are probably two things that will stand out as the most remarkable of all of man's handiwork at the beginning of the twentieth century—the building and the construction of the Panama Canal and the rebuilding of San Francisco. A little over four years ago the whole world was shocked at the terrible catastrophe that befell that beautiful city. Within sixty hours the fire had destroyed what it had

taken sixty years to rear; but there was no whimpering among the people. They determined to rebuild their city, and with energy and aggressiveness and a spirit that is worthy of the best that we find on the Western Hemisphere the people went to work with a will, and in four years they have rebuilt a city that is a pride to all mankind.

As the chairman has stated, the Congress a few days ago authorized the President of the United States, upon certain conditions, which will be met by the people of San Francisco, to invite the peoples of the world to a great international exposition there in commemoration of the completion of the Panama Canal. It is going to be—for I know the temper of the people of that beautiful section of our country—the most magnificent exposition that the world has ever seen. It will be there that the merchants of the world will exhibit their wares; it will be there that an opportunity will be given to every manufacturer, every producer, every man who has something to sell, to show his wares to the best possible advantage, and it will be there that the buyers of the world will come and get to know the manufacturers of the world.

Why, that Western country is a land that the whole world has heard of; it is so full of natural wonders; it is so full of beautiful scenes; it is so productive; it has such magnificent possibilities, that the whole world is anxious to come there and see it. I predict that there will be a greater number of visitors to the International Exposition at San Francisco than any that has ever been held on the American Continent, not excepting the one at Chicago. That is a broad statement to make, but our correspondence from all over the world shows an intense interest, an interest that has probably never been excelled anywhere, and we urge the people of the South American States and the Central American States and Mexico to make exhibits worthy of the countries of Latin America. We are going to give you the best possibility to display your wares; we want you to come; we want your Governments to take hold of the proposition and help us; we want you to be there in numbers unsurpassed, and we, on our part, guarantee you and assure you that when you do come that you will receive a welcome that will make your hearts glad and that will enable you to see the best that the world knows today in science, in manufacture, in the products of our fields and of the farms—the best in everything.

We hope that those who represent South American countries here will take up with their respective Governments this matter of having adequate representation at this exposition. It means wealth to you, for we will be enabled to see what you have to produce, and it means new markets for them. We will be able to get better acquainted out there on the shores of the Pacific; we will be able to know each other better than we do today, and the result of it all will be to the advantage of the people of the Western Hemisphere.

I know that out there in California the people today are already beginning to make their plans for this exposition. They propose to leave no stone unturned to make it one worthy of the great occasion which it is commemorating—the completion of that magnificent canal, probably the greatest engineering feat in the history of the world. They propose to have the whole world, when they come to that exposition at San Francisco, say that it is the very acme of all that has been reached in the matter of international expositions, from the very first that was held at the Crystal Palace in London down to the present day. You can help to make it a success. We appeal to you for your friendly and kindly assistance, and, in return, we guarantee that everything that you will do to help make it a success will redound to your own credit and will redound to the welfare of the people of the Western Hemisphere.

MR. PETERS: I would like to ask you to join with me in a vote of thanks to the unremitting assistance and loyalty of the staff of this institution in accomplishing the success of this Conference. All in favor say Aye; those opposed, No. It is unanimously carried. The staff will please accept this acknowledgment of their assistance.

DIRECTOR GENERAL BARRETT: I want to ask if there is anyone here who has not become familiar with our Bulletin. If so, I hope he will get a copy, because that can be a tangible connection between any man who attends this Conference and our institution continually, and we hope you may be good enough to have it not only in your office, but upon your library table. Ladies and gentlemen, this Conference has failed in a great many ways to accomplish as much as we would desire. There have been marked shortcomings; a great many men have not participated whom I would like to have called upon, but I do not believe there has been a conference

held in Washington in years, or almost in the country, where as many men have spoken and spoken wisely. I do not doubt many men have been disappointed because we could not give them a long place in the program, but if we had done that we would have been through Tuesday instead of Friday, and if we had done that we would have been obliged to adjourn Wednesday, because everybody would have gone. As it is, the majority of the delegates have remained up to the very last.

I thank those specialists; I thank these eminent men who have come; I thank the delegates for the co-operation and the hearty support they have given me in this Conference.

I hope, perhaps another year, we may hold a still broader Conference and invite business men to come here from Latin America, following the splendid example set by Dr. Wilson a number of years ago, and therefore have the Conference far more successful than this has been.

I thank you profoundly. I wish you all to go away not only with feeling of official connections with this institution, but of personal relationship with me and the members of my staff. I say "my" in a spirit of affection, not in a spirit of proprietor or ownership, because I am so fond of them all that I like to feel that they are mine.

Ladies and gentlemen, I cannot think of any man more appropriate to conclude these exercises. This morning we heard most eloquently from Elihu Root; we have heard Henry White and others; we have that man who has raised his voice everywhere for peace, and I want you to notice the only word in this room, at the four corners, is the Latin word for peace, and that is the central and underlying idea of this institution, and there is no greater way to promote peace than through commerce.

I have great pleasure in introducing Hon. John Temple Graves.

ADDRESS OF HON. JOHN TEMPLE GRAVES, ORATOR AND AUTHOR

Mr. GRAVES said:

Mr. Director General and Ladies and Gentlemen of the Pan Americas: I was about to ask the Director General if I might be permitted to deliver my brief and informal message from the floor. I am so much impressed by the generous words which he has spoken in introducing me that I would have preferred to have hidden my failure to fulfil them in the splendid isolation of the corner in which I sat. I must accept what he has said not so much with anything which is to be fulfilled in the brief and informal words that I bring to you, but as an expression of the extravagant generosity of the overcordial heart and overgenerous nature of the most genial, generous, gifted and gracious Director General that ever presided over the commercial destinies of an international congress. My invitation to this Pan American Conference is just an hour old. An hour ago I had from the Director General a bidding to be here, sent through Brother McDowell, who is the world's high ambassador to the high court of universal peace. With such a message from such a source and by such an ambassador I should have been less than myself and less than all my traditions if I failed to give instant hearty response by my presence here.

I assure you that I am not a casual listener to your deliberations. I have sat for an hour here, serious, earnest and attentive, to catch the spirit of this splendid gathering. While I sat here I have looked at the maps upon these walls; I have seen all that they meant in territorial importance and all that they meant in commercial promise for the future. Amazed beyond my own knowledge of the geographical conditions of the continent in which I live, I have been inspired by the lessons which have been told by this map within my rear. I have seen, I confess, to my astonishment, although I am a college graduate, that one country of South America has 200,000 more square miles than this great and majestic republic in which we live. I have sat here to see upon that map the demonstration of all the wonderful things that are contained in the development of that southern country.

There (turning to the map to the rear of the platform), first, lies spread before us Brazil, in its majestic territory, fashioned like a club that is destined to beat its majestic way into the commerce of the world; there, upon the west, Chile, the sword of the south, as keen and as clear as the wit and the courage of its gallant and chivalric people; there, in the center, Paraguay, nestling like a nosegay in the bosom

of the south, while upon the north Guiana and Venezuela and Colombia and Peru and Argentine, all in their crested shields surrounding the great republic to which this common country in which we live is stretching out its commercial and fraternal arms today. And as I have sat here this afternoon and listened to the way in which your questions and your answers—your perfect contributions to the spirit of this occasion—have been given and responded to, I have realized the great opportunity and commercial value that they bear. Men of all these different countries come here to tell what they like and what they do not like; what they need and what they do not need; to suggest the conditions by which practical trade and interest may be established between them all.

For one and a half hours I have sat here, and I learn that this one and a half hours is but a suggestion of the hours that have gone before, in which day after day the representatives of the commerce of the northern part of this continent and the representatives of the commerce of the southern part of this continent have sat here exchanging ideas, exchanging suggestions, until we seem to have solved within ourselves at least the intelligent way in which we are to separate ourselves from the difficulties that have kept us apart in the years that have passed. We realize that we have come at last to the unity of trade through the unity of intelligence as to the ways in which it ought to be brought about.

But I have heard something more than that. If I had listened simply to those commercial talks, I might have gone out from this beautiful occasion with the idea that the spirit of this great republic and of the era in which we live was the spirit of practical interest; that the dollar only was the despot of our destinies, and that the trademark was over us all. That is good; it is great; it is wonderful. But I should be false to the better spirit that is within you, to the better spirit, the impulse that sent me here, if I did not catch something beneath the outer crust on this occasion better and nobler even than the spirit of trade. I realized that in the great world in which we live there is a better and larger motive that underlies nations and men.

A few days ago in this capital of our country I heard several speeches made. I have just come from the capitol on the hill to this beautiful capitol in the valley; from the capitol of strenuous endeavor to this capitol in the beautiful valley of peace; from the Congress of the nation to the Congress of Republics and the pulse of the economic republic heart-beats of half a world, and I have realized that the better spirit that underlies this occasion is that spirit which has sensed and sent us here to meet, that we who know one another better may love one another better to the end of time. I have realized that we have come here to catch that spirit that is going to bring the world to the most majestic event in all its human or prophetic history. A few days ago the President of the United States, speaking in welcome to this Conference, declared that he was in favor of reciprocity with all the nations of South America; and the second officer of the Republic, catching the echo from the lips of the Chief Executive, declared that he was in favor of reciprocity with all the nations of the earth. The language may have been extravagant, according to the theory of partisans, but the spirit of humanity, higher than the spirit of partisanship, catches that idea and makes it the universal pulse of our common humanity.

A few days ago we heard Apponyi, speaking from the Old World, bringing the message that the countries of that older continent, crushed by the iron heel of war, with its nations staggering to bankruptcy in the support of the armed armies that tax the peoples of Europe beyond their capacity to endure the strain upon their resources, that that Old World caught from this New World, north and south, the impulse that was to start to solving all questions and going to banish war. And I realize that that is the spirit that underlies this great occasion. These are the superficial things; these are the things that touch the pocket nerves of nations; but there are other nerves than the pocket nerve of nations. And I realized that in the hearts of men there lives that universal spirit of fraternity that is sweeping thus splendidly and swiftly to a better and greater thing. I realized that the time has come when, with parliaments in other nations, we were at last about to celebrate the establishment of a parliament there, with the people speaking through organic bodies legislation, with the president of the world and the statesmen of the world breathing the common spirit of humanity; that we have come to that better thing, and that when we have fashioned and solved, as we ought to have solved, the problems of trade, as we ought to have solved the problems of commerce, and those conditions which establish us in prosperity and in the development of those resources that will enable us to do the things that as nations we should do, that we are coming then, and

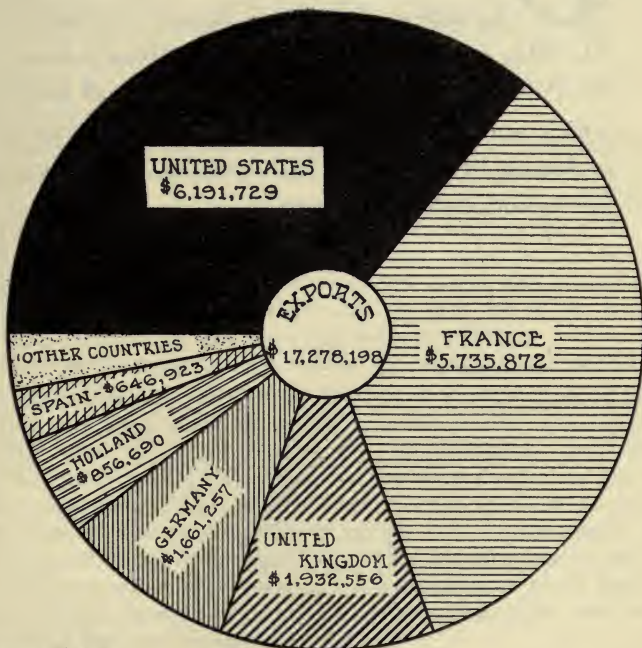
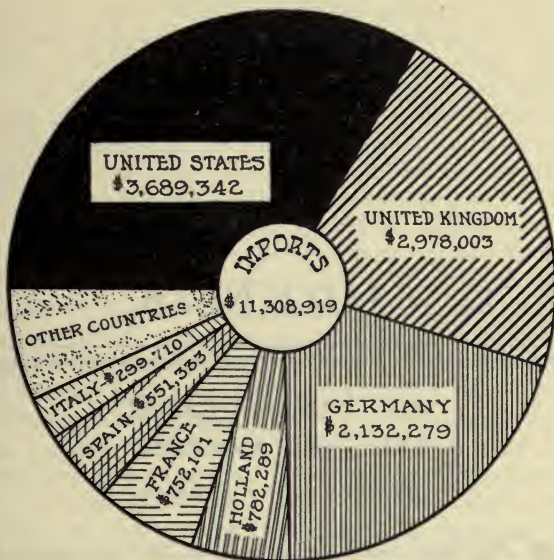
that soon, to that better time when these parliaments of nations shall meet not in separate stations, but in one great aggregated whole; when, instead of the United States of America and the United Republics of South America, they shall come the united republics of all America and the united nations of the world; and when these parliaments which meet here as parliaments of trade and there as parliaments of commerce will come to meet at last, and that, I hope, in God's great providence soon, as a congress of all the parliaments of the world, in which one last great edict shall be voiced to the republic, not from the lips of emperors, or presidents, or kings, because peace must be legislated into the world through the lips of parliaments that make its laws; and I hope that we shall live to see that time when the republics of South America shall come at last with this great republic of North America to stand here with the republics and the kingdoms and the nations, despotisms, monarchies and republics of the Old World in one great congress in this capital of our common country, where this great spirit of peace shall be the spirit that came upon the plains of Bethlehem when the angels sang that first great anthem, which shall be the world's last anthem, and when we shall come at last to see the majestic dream made magnificent in the reality of a universal peace, and England and America, and South America and the East, and Germany and France, and all the great kingdoms of every section of the world where men live and breathe and aspire to better things, shall come with one united voice to sweep the world in that better anthem that is the reflex of the anthem of the plains of Bethlehem, when our war drums throb no longer and all battle flags are furled in one parliament of nations, the federation of the world.

DIRECTOR GENERAL BARRETT: I am sure that is an inspiring address to incite us to greater efforts for Pan American comity and friendship and commerce; and so, with the words of John Temple Graves in our thoughts, I declare the Pan American Commercial Conference, held under the auspices of the Pan American Union, in the city of Washington, from February 13 to 17, adjourned *sine die*.

• VENEZUELA •

- COMMERCE - FISCAL YEAR 1909-10 -

\$28,887,117



:: :: A D D E N D A :: ::

THE "PANAMA CANAL"
AND "ALL AMERICA"

By Director General Barrett

DIRECTOR General John Barrett received so many requests for copies of an address he delivered at Peoria, Illinois, February 22, 1911, on the subject of "Getting Ready for the Panama Canal," and also of an article of his which appeared in the *North American Review*, of August 1910, entitled, "All America," that they are reproduced in part here.

"GET READY FOR THE PANAMA CANAL"

It is not possible for me to find language too strong in which to urge upon you and upon all the business interests of the country the imperative necessity of getting ready for the Panama Canal. Every commercial organization in the land whose membership is interested in Pan American trade, and every manufacturing, exporting and importing house which desires to gain a share in the commerce of the canal, should have as its motto and slogan, from today until the first merchant vessel passes through that mighty waterway, these words: "Get ready for the canal."

Unless they adopt this suggestion and follow it persistently and consistently, the vast commercial interests of the United States will suddenly awake some day in 1914 or 1915 to find that their competitors in Great Britain, Germany, France and Japan—and all credit to them—not only have been getting ready, but are ready to gain an advantage which years of effort on our part will not overcome. This is no false alarm. It is not an exaggeration. It is not a declaration of hostility to European and Asiatic energy and enterprise. It is simply a statement of fact. I admire the spirit of the Britishers, the Germans, the Japanese and the Frenchmen, who are shrewd and forceful enough to recognize the value of the field and opportunity, but I deplore the inactivity of the average American who fails to appreciate that he must be a leader and not a laggard in a contest of this character.

We are devoting too much time to oratory and essays, to speeches and editorials, describing what a mighty achievement is the canal, what honor it brings to our nation and people, and what an example we are setting the world in its engineering, in sanitation of the canal zone, and in unprecedented physical construction. We are talking and writing too much in general terms about the marvelous commerce it will develop and the wonderful changes it will make in the commercial map of the world.

Let us have more action! Let us have more real study and investigation of what actual commerce the canal will open to us. Let us have more downright preparation for the existing conditions of demand and supply and of foreign competition. Let us become familiar with the field, let us visit its cities and peoples, let us study its languages, let us learn its customs, habits and traditions, and let us show more respect for its history, its civilization and its progress.

Let us stop generalizing on Pan American comity and friendship and get down to real evidences of comity and friendship. Let us stop preaching opportunity—let us seize the opportunity. Let us prove that it is not merely a selfish proposition—the finding of a market for the products of the United States, but a "give and take" transaction—the providing a market in the United States for the products of the countries of Latin America, and so increasing their wealth and prosperity as well as our own. If our sister republics believe and see that this is our sincere attitude there will be no limit to our Pan American trade possibilities.

You ask me for some hard facts about the Panama Canal and Pan American commerce. Here they are! South from Panama to Punta Arenas on the Straits of Magellan is a coast line of 5000 miles—more than the Atlantic and Pacific coast lines of the United States. To it are tributary five rich, developing republics—Colombia, Ecuador, Peru, Bolivia and Chili. Today isolated from Europe and the eastern section of the United States, they conduct, in spite of this handicap, an annual foreign commerce valued at \$300,000,000. This is 100 per cent. greater than a decade ago. When the canal is opened and there is a direct route from the Atlantic and Gulf ports—from interior points like Peoria—to the principal ports of the South American Pacific coast, this commerce will expand with great rapidity and amount in one year to more than the entire cost of the Panama Canal!

Then, again, northeast from Panama to San Diego, in California, is another remarkable coast line that the opening of the canal will for the first time make directly accessible to ships from the Atlantic and Gulf ports. It has a reach of 3,000 miles and includes the western sections of Panama, Costa Rica, Nicaragua, Honduras, Salvador, Guatemala and Mexico. This coast even now has a foreign trade valued at \$100,000,000, which will grow in quantity and value upon the completion and use of the canal.

To sum up, then, we have a Latin American coast line of 8000 miles, extending from the Mexican-California line south to Cape Horn. Upon this debouch 12 independent countries with a population of 30,000,000, in the infancy of their material development and offering vast opportunities for capital and commerce. It already buys and sells products worth \$400,000,000 without the canal. What will it do when the canal is completed? Are not these few facts sufficient reason why Peoria and every manufacturing city of the community should take up the cry: "Get ready for the Panama Canal?"

"ALL AMERICA"

The purpose of this brief discussion is to awaken among thinking men more active interest in the 20 resourceful, ambitious, and yet too little appreciated American republics lying to the south and southeast of the United States. That all of them, from Mexico and Cuba south to Argentina and Chili, are entering upon a period of remarkable progress and development is evident from what they have done and are doing. The ignorance among the majority of the people of the United States and Europe of their past history, their present achievement, their limitless resources, and their immense potentialities is almost startling. This lack of knowledge is not, however, so surprising when we remember that the northern world has been largely occupied during the last 20 years with its own political progress and the exploitation of its own material resources. If there is a prevailing lack of acquaintance today with Latin America, the fault rests with the people and press of the country and not with the Government, for the State Department, under the able direction of Secretary Knox and Assistant Secretary Wilson, devotes almost 75 per cent. of its time and energy to the consideration of Latin American diplomatic and commercial questions. The correspondence, moreover, which is now pouring in great bulk into the Pan American Union—an institution devoted to the development of Pan American comity and commerce—from every part of the world, and the tenor of editorial and descriptive articles appearing today in the press, demonstrate beyond question that Latin America as a whole and its salient characteristics are destined soon to be better understood. It is most appropriate now that there should be some special consideration of Latin America, because there is in session at Buenos Aires the Fourth International Conference of American States, which will consider many questions having a direct bearing upon the welfare, prosperity and the common interests of all the American nations.

The enthusiastic and patriotic citizen of the United States, who has not traveled extensively enough about the world to realize that there are some other countries of great physical and economic features, is in the habit of describing this and that characteristic of his city, State or country as "the biggest thing on earth" or "the largest in the world." The man with this habit feels almost stunned when he is told that the entire area of the United States proper from the Atlantic to the Pacific and from Canada to the Gulf of Mexico can be placed inside of the Republic

of Brazil, with room left over to hold New York State nearly four times; that out of the Amazon flows every morning several times the volume of water which the Mississippi empties into the Gulf; that, again, down in Southern South America the Parana carries to the sea a flood greater by half than the Mississippi; that the city of Rio de Janeiro, the capital of Brazil, has expended more money during the last five years in public improvements than any city in the United States with the exception of New York and Chicago, and boasts now of nearly a million population; that Buenos Aires, the capital of Argentina, has one million two hundred thousand people within its limits, and is growing more rapidly than any city in North America with the exception of New York and Chicago; that Montevideo, the capital of Uruguay, and Valparaiso, the port of Chile, are expending a larger sum in the construction of harbors suited for the largest shipping of the world than is being devoted at the moment to any harbor in the United States; that Bolivia is building a system of railroads over its mountains and down into surrounding valleys which rival the railroad systems of Colorado; that Lima, Peru, has a university which was one hundred years old before Harvard was founded; that Ecuador, Colombia and Venezuela possess a variety of climate and resources, due to their mingling of high plateaus and valleys, unsurpassed in the world.

If, after considering these few facts, it should be desirable to still convince the skeptical and superficial observer, and he wished further data to form an opinion about the other southern republics, it might be mentioned that the five Central American republics of Guatemala, Honduras, Salvador, Nicaragua and Costa Rica are the first group of nations in the history of the world to sign and ratify a convention requiring the settlement of all disputes between them before an international court of justice and without recourse to arms, such treaty having been negotiated at the Central American Peace Conference held under the roof of the International Bureau of the American Republics in Washington in December, 1907; that Mexico, under the wise, strong and benevolent administration of General Diaz, has developed such a measure of stability and prosperity that it has invested within its limits eight hundred millions of United States capital; that little Panama, known practically for the sole reason that through it is being constructed the great canal, has large areas of land suited for agriculture and extensive forests awaiting legitimate exploitation; that Cuba, now beginning a new and critical era in its history, is possessed of a climate, soil and possibilities which will make its wealth of the present seem small in comparison to the potentialities of the future; and that the Dominican Republic and Hayti, even though they may have led a somewhat troubled existence, are real garden spots of the Caribbean, where eventually plenty and prosperity must be prevailing characteristics.

Lest this summary just given above should be misleading, and the criticism should be made that too strong a picture was being drawn of the great features of Latin America, it is well to bear in mind that the tendency of the comment and description in the United States and Europe about Latin America is patronizing, not laudatory. We hear too much of the unfavorable side. We are too continually regaled with exaggerated stories of revolutions, of trying climates and of unfavorable environment. If one listens to a group of persons discussing Latin America, the prevailing note is usually one of unfair criticism rather than of just consideration. Instead of always holding the sixpence of revolution and alleged instability of government so close to our eyes that we cannot see the good beyond, let us clear our vision and acknowledge that two-thirds of the entire area and population of the twenty Latin America republics have been characterized with no serious revolution during the last decade and a half, and that European financiers who do not wilfully

make a mistake are today pouring millions of dollars into Latin America for the construction of interior railroads and electric street-car lines in the municipalities, for the development of water-powers and the opening of mines, for public improvements of all kinds, and for the exploitation of agricultural and timber wealth. Conservative opinion in the moneyed centers of the Old World is beginning to believe that investments in the larger portion of Latin America are now practically as safe as they are in the United States, and financiers are backing up this belief by purchasing the stocks and bonds of a large variety of companies doing business in that part of the world. The readiness with which the Brazilian and Argentine loans were bought up shows the growing confidence in these republics. Why not? The annual foreign trade of Argentina, located in the south temperate zone, like the United States in the north, covering an area of nearly equal to half of that of the United States proper, and yet having only a population of seven millions of people, is valued at approximately seven hundred millions of dollars, or an average of nearly one hundred dollars per head. There are few countries in the world, even among the oldest and most prosperous, which can show figures to compare favorably with these.

Although Brazil has been somewhat handicapped by unfavorable conditions in the coffee trade, it has held its head high and everywhere gives evidence of great material advancement. Its annual commerce approximates five hundred millions of dollars. Chile, which, if transplanted from Southwestern South America to a corresponding position on the Pacific coast of the United States and Canada, would reach from the Mexico-California line north into the very heart of Alaska, has a foreign trade valued at two hundred millions of dollars annually, and it is constructing a great longitudinal railway which will require scores of millions of dollars to complete, and yet it goes about it as if the task were an every-day one. Similar figures might be cited about the other American republics, but only one other fact need be mentioned to prove that all Latin America is making mighty strides in commerce—and commerce is often described as the life-blood of nations. The total volume of the foreign trade of these twenty republics, including exports and imports, approximates now annually two billions of dollars, or a sum equal to two-thirds of the entire foreign commerce of the United States. When it is further remembered that this represents an increase of one billion dollars in ten years, or one hundred millions of dollars per annum, the critic who looks upon Latin America disparagingly experiences a feeling that perhaps he should change his point of view.

It is not intended within the limits of this discussion to employ the usual arguments in favor of building up our trade with Latin America, or to set forth specifically the affirmative and negative sides of government aid to steamship lines, of opening banks controlled by United States capital, or of negotiating reciprocal tariff treaties, etc., but rather to develop a keener appreciation of what Latin America actually is. As the real value and quality of a country are measured not alone by its natural wealth, but by its people and its institutions, it is well to note some salient characteristics under these heads. And while, of course, there are exceptions, it is undoubtedly true that the average citizen of the United States or Europe who spends much time in Latin America, or takes up his residence there, learns to love and admire the Latins and to give them credit for qualities and achievements too often entirely forgotten by the passing or superficial observer. The average traveler who makes a rush journey through Latin American countries sees little of the higher and better educated classes. He draws his conclusions too often from a certain element of the natives with whom he comes in contact in the more petty details of his travels. If he has time, however, to get behind the scenes, as it were, there is not an important town in all Latin America where he cannot meet a large number of men and

women of superior refinement and charm. If he proves his worth, he will experience a hospitality equal to that given him in any part of the United States or Europe. If he is polite, gentle and appreciative, he will receive a treatment in return that will cause him to carry away most delightful memories.

If there is one quality which makes for real learning, and which the hurry and bustle of our life has caused us to neglect, it is thoroughness in education and study. The average Latin American who aspires to any position of scholarship, or who may wish to become a successful writer, professor, priest, lawyer, doctor or engineer, pursues his studies to an extent and with a thoroughness that, it must be frankly but truthfully stated, is not always characteristic of his neighbor in the United States. Without any reflection whatever on the graduating classes of our leading universities and colleges, it is safe to contend that a larger number of men graduate from the Latin American universities with a comprehensive grasp of all the subjects they have taken up than do from the average American high institution of learning. If the standards required for the practice of the learned professions of the twenty Latin American republics were put alongside the standards required in the forty-six States of the United States, the comparisons would be unfortunate for the latter.

The North American newspaper man often pokes fun at the Latin American newspaper because it devotes such a large proportion of its space each day to extended discussions of literary, scientific and legal subjects; and yet, if these features were not included, the constituency of those papers would feel as if they were not treated with respect. It is an open question if it is not better to fill the papers with such matter when it is appreciated than with long, extended stories of crimes and casualties. Newspapers claim that their standards are determined entirely by the people who read them. This argument applied to Latin America is certainly a compliment to its intelligence.

Only recently a prominent newspaper in the United States emphasized "graft" and laxity of morals as characteristics in Latin America. Alas! if there ever was an illustration of the old figure of speech that a man living in a glass house should not throw stones, it is found in the criticism by the people of the United States of "graft" and laxity of morals in Latin America! In view of the constant discussion and evidence of "graft" in the leading municipalities of the United States, it is well to point out that it costs far less to administer such great cities as Rio Janeiro, Buenos Aires, Montevideo, Santiago, Mexico and Havana than it does cities of corresponding size in the United States. And yet in the excellence of their water and sewerage systems, in the cleanliness of their streets, in the quality of their schoolhouses and public buildings, in the extent of their parks and boulevards, and in their adoption of modern sanitary measures they can compare favorably with and even surpass the majority of the municipalities of the United States. A searching investigation of the twoscore millions which Rio Janeiro expended in the building of new streets and docks, of a similar sum which Buenos Aires expended in the building of its wonderful system of wharves, and of the remarkable improvements that have recently been made in Mexico City, show no such evidences of so-called "graft" as have been found in similar enterprises in the United States. Now and then there may be some local official or a Governor of a province of a lesser country who fattens himself on a system of tribute, but this is no longer characteristic of the great resourceful countries of Latin America, and it will soon pass away from those where it is now alleged to be chronic.

In all discussions of the laxity of morals there comes up the one great question of preserving the sanctity of the family. Divorce is almost unknown throughout Latin America, and race suicide is never even mentioned. The average high-class

family of Latin America can usually boast of a family ranging from five to ten children. Domestic infelicity, of course, exists, but it does not stalk abroad and make blasé the growing boys and girls of the land. The percentage of Latin American women of good families who go wrong, to use an expressive phrase, is indeed small. The average Latin American mother has a regard for the family tie and for the principles of the Church in which she has been brought up which forever protects her from unfortunate alliances. The average Latin American man is often described as being much more of a devil than he really is. His pride in his family is a strong characteristic, and even if at times he may quietly conduct questionable relations with those outside the conventional pale of society, he will invariably resist with all his strength of body and mind any suggestion that he is not loyal to his family. The divorce records for the city of Chicago in one week will surpass those of all the Latin American cities in a year. The number of men who live apart from their wives in the United States as compared to those in Latin America is five to one. If the existence of a nation depends upon the preservation of the family, the future of Latin America cannot be considered as in danger.

It is not possible within the limits of this article to describe carefully the educational spirit, the scientific research, the musical fondness, the appreciation of fine art, the literary tendencies, the social finesse which characterize the principal cities and the controlling population of Latin America, but they are well worthy of investigation on the part of the person who would know well that portion of the world. Latin America's historical record is, moreover, so full of heroic achievement and high statesmanship that it should be better understood in the colleges and schools of the United States. The stories of, for example, such men as San Martin and Bolivar, who gained the independence, respectively, of Southern and Northern South America, should be known equally well with the great work of our own Washington, from whom these Latin American leaders gained their inspiration. The story of how each one of these twenty countries won its independence is so romantic and thrilling that the modern educator might often question if it were not better to pay less attention to what was done by the heroes of ancient Greece and Rome and of the Middle Ages and more to what was accomplished by the heroes of our sister nations in modern times.

High society, today, perhaps, gives more attention to music than to any other form of entertainment, but it does not appreciate the fact that Buenos Aires has an opera-house far surpassing anything in the United States and ranking among the best in the world. The greatest singers go there as well as to New York. Our newspapers are often cited as the best evidence of our splendid material progress, and yet no newspaper in the United States has a plant and equipment more costly than those of the principal papers in Buenos Aires and Rio Janeiro.

Having made these observations on Latin American conditions, it may be well to call attention to the work that the International Bureau of the American Republics, located in Washington, D. C., is doing for the development of better acquaintance, friendship and commerce among the American nations. The existence of such an institution has not generally been appreciated in the United States because of the simple fact that the American people, up to the time that Elihu Root made his famous journey around South America, had not given sufficient attention to that part of the world to recognize the efforts being exerted by this international agency in Washington to make Latin America better known in the United States and the United States better known in Latin America. Upon Mr. Root's return from his remarkable journey he infused new life into the International Bureau, until now it is accomplishing results for Pan American commerce and comity never expected

a few years ago. Established in 1890 by the First International Conference of American States, which was held in Washington in the winter of 1889-90, and presided over by James G. Blaine, it signalized the completion of its first score of years by taking up its permanent abode in a magnificent new building which has been described as a "Temple of Peace, Friendship and Commerce." For its construction all the American Governments contributed, and Mr. Andrew Carnegie gave seven hundred and fifty thousand dollars. Its cornerstone laying in May, 1908, was one of the notable historical events of Washington. Epoch-making speeches were made by ex-President Roosevelt, ex-Secretary Root, the Brazilian Ambassador, Mr. Nabuco, and Mr. Carnegie. Three thousand people, prominent in the official and private life of the capital, witnessed the placing of this stone coincident with the raising of the flag and of the playing of the national anthems of the twenty-one nations which have a common interest in this structure.

The celebration of the dedication and occupation of the new building in April of this year was also made notable by addresses of President Taft, Secretary Knox, Ambassador de la Barra of Mexico, Senator Elihu Root and Mr. Andrew Carnegie, delivered in the presence of a distinguished audience in the noble assembly hall of the new edifice.

The International Bureau is supported by the annual appropriations, based on population, of all these Governments, and its affairs are controlled by a governing board made up of the diplomatic representatives of the Latin American republics in Washington, presided over by the Secretary of State of the United States as chairman *ex officio*. This board, in turn, elects the director, who is its executive, and therefore an international officer. Its correspondence averages over six thousand letters received and answered each month. For commercial purposes it is in touch in both North and South America with manufacturers, merchants, exporters and importers, doing all it can to facilitate the exchange and building up of trade among the American nations. On the other hand, it is in touch with men in public life, university and college presidents, professors and students, writers and newspaper men, scientists and travelers, providing them with a large variety of information which will increase their interest in the different American nations. It publishes numerous handbooks, pamphlets and maps. It issues each month a bulletin giving the latest information in regard to the commerce, laws, new enterprises and general development of each republic. The Columbus Memorial Library, which is under the direction of the bureau, possesses a large collection of books—historical, travel, narrative, statistical and governmental—relating to every American nation, and can be consulted without charge by any responsible person. Nearly eighteen thousand volumes are now found upon its shelves.

In conclusion, it may be fitting to quote from a prophecy made by the writer in an address delivered before the Trans-Mississippi Commercial Congress, as follows:

"Without unwarranted enthusiasm, let me point out to you my confident belief that the next ten years will be a Latin American decade—that all the world will be then studying and watching Latin America as it now does Japan and the Orient, and that a material, economic, intellectual and political advancement will be witnessed in Latin America which will rival what has been accomplished in the United States. Were it not for the lamentable ignorance which prevails throughout the United States in regard to the peoples, institutions, resources and governments of this section of America, this statement would not seem in the least surprising. Those of us who have traveled from Cuba to Chile and from Brazil to Bolivia are keenly aware that this great onward movement has already begun and that Latin

America has entered upon a new era of splendid activity and world-wide influence.

"Twenty republics, varying in size from the area of Brazil, which is larger than that of the United States proper, to Salvador, the smallest, which would take in Rhode Island six times over, having a combined population of nearly seventy millions and a foreign commerce valued at more than two billions of dollars per annum, are going ahead so rapidly that no man can safely prophesy the limit of what they will accomplish during the next ten years. Gifted with a variety of climates and of resources, blessed with a marvelous intermingling of cool plateaus and tropical lowlands, provided with vast navigable river systems and a long extent of accessible coast line, supplying numerous important products which the rest of the world must purchase, and possessing a people of deep sympathies and high intellectuality based on an old and worthy civilization, they all challenge our best study and keenest appreciation."

Owing to the large attendance of experts and authorities on Latin America, and in view of the fact that the interest aroused by the different papers led to prolonged discussions, the time originally allotted to some speakers was thus unavoidably consumed. Certain gentlemen, therefore, were deprived of the opportunity of delivering their addresses in person. These papers are published herewith, because of their importance and interest. The Director General regrets that lack of time prevented the authors from delivering the addresses before the assembled delegates.

PAPER OF THE DOMINICAN MINISTER, MR. EMILIO C. JOUBERT

The Dominican Republic lacks many of the elements which contribute to the economic development of nations, especially those elements which are essential to commercial importance and which foster all kinds of industries, such as banking institutions, etc., but in spite of this drawback, the country has progressed sufficiently to fill with hope the hearts of those who earnestly desire its development and welfare.

The climatic and geographic conditions of the Dominican Republic are quite favorable to the agricultural industry in which the natives of the Republic preferably engage. Therefore, it is evident that the principal products are agricultural and represent both the fertility of the soil and the diligence of its inhabitants.

The cultivated area increases daily, the quality of the products is improved, and the crops are more abundant. For instance, the development of the cultivation of cacao is sufficient to justify the prediction of a prosperous future for the Republic.

Scarcely twenty years ago cacao was cultivated on a very small scale, and the production was quite insignificant. It may be truthfully said that the cacao bean consumed in the country and the small quantity exported was gathered from wild trees.

The first exports of said product of which there is a record, made in 1891, amounted to 1000 tons. In 1902 the exports of this product rose to 12,873 tons. Other years it was:

EXPORTS OF CACAO.

Year.	Pounds.
1905.....	28,836,364
1906.....	32,022,460
1907.....	21,925,641
1908.....	41,855,721
1909.....	32,659,781

The increase in the production of sugar is also exceedingly satisfactory.

EXPORT OF SUGAR.

Year.	Pounds.
1883.....	17,000,000
1905.....	105,972,400
1906.....	120,701,271
1907.....	123,753,626
1908.....	140,650,554
1909.....	170,358,482

For a population of about 600,000, the estimated population of the Dominican Republic, the foreign trade shown by the following figures is not lacking in importance, it being, above all, a practical and eloquent proof of the progressive spirit which characterizes said people.

Value of imports.	Value of exports.
1905.....\$2,736,828	1905.....\$6,896,097
1906.....4,065,437	1906.....6,543,872
1907.....5,088,611	1907.....7,958,855
1908.....5,295,271	1908.....9,713,135
1909.....4,563,993	1909.....8,625,017
1910.....6,408,838	1910.....10,924,371

The year 1909 shows a remarkable decrease both in the imports and exports. The direct cause of the decrease in exports and the indirect cause of the diminution in imports was the poor crops and the loss of more than 40,000 kilos of cacao, due to excessive rains and to a disease of the cacao plant; but the following year the loss was made up, and the production has continued to increase to such a degree as to gratify the most flattering hopes.

In some districts the Government has lands adapted to the cultivation of cacao, which can be cultivated under the law of June 5, 1905, published in No. 1508 of the "*Gaceta Oficial*." In accordance with this law, permission may be given to colonists for cultivating Government lands, upon deposit of a sum as security; this money is returned to the colonist gradually as the cultivation of the land proceeds. At the expiration of ten years, which is the term of the grant, the colonist must pay an annual rent of 10 cents per hectare. The deposit referred to is of \$2.00 per hectare. At the end of ten years the whole area of the land must be cultivated.

Public lands in the Dominican Republic can not be sold without authority of Congress.

There are also uncultivated private lands, which are adapted to the cultivation of cacao, which can be bought at prices that vary according to the proximity of the lands to cities, roads, etc. One can purchase at very low rates uncultivated cacao lands, which, although distant from centres of population, are easily reached. For instance, 186.33 acres of such lands might be bought for \$100.

Lands suited to cacao cultivation are found in the Eastern portion of Seybo Province, the southern part of Samana Province (Sahana de la Mar and Valle zones), the Yuma and Camú Valleys, near Cotuy; Bonao and La Vega, and specially the provinces of Pacificador (South and West), Espaillat, Santiago (North and West) and several zones of the Province of Puerto Plata. There is also a small zone in the Province of Azua (Hondo Valley El Cercado). But, without question, La Vega, Moca and San Francisco de Macoris form the triangle within and around which are located the best cacao lands in the Dominican Republic, specially near Salcedo.

By virtue of the law of June 22, 1907, notaries public are refrained from legalizing sales of municipal lands unless the parcels have been previously measured by a surveyor.

Land sales are executed before a notary of the Republic, or in default thereof, a mayor (alcalde) qualified as notary public; afterwards, they are recorded in the office of the Register of Deeds of the Province, and thus all legal formalities have been fulfilled.

The population of the Republic actually increases with opportunities for work, although a current of immigration has not yet begun to flow into the country, because of a lack, perhaps, of a knowledge abroad of the exceptional advantages that the country offers to whoever looks for opportunities to better his condition. Railroads have been constructed and highways improved with the greatest advantage for the development of the public wealth. The ports, which have been exploited for the benefit of private persons, have been redeemed by the Government for the relief of commerce, and work is being actually carried on to make them suitable to the growing needs of trade.

In the municipalities signs are easily perceived of an evolution that is actually transforming urban life in the most gratifying and satisfactory manner. The streets are being paved to insure better hygienic conditions, and to the same end costly aqueducts are being constructed; public ornamentation receives due attention and the signs of progress are noted on all hands.

Our greatest commerce is with the United States. In 1909 fifty-seven per cent. of our imports were of American origin, and to this country we sent fifty-nine per cent. of our products. The increase of the business that we transact with the United States keeps pace with the growing volume of our foreign trade. Nevertheless, this result is due largely to the friendly relations that exist between the two peoples.

Mr. Root's remarks that peoples are inclined to deal with their friends is proven in the case of the commercial relations between the Dominican Republic and the United States. During a long time in which, because the two peoples knew each other but slightly, the Republic was the victim of unreasonable and unjust attacks on the part of persons interested in bringing about its discredit, little trade was carried on with this country, and only because of unavoidable necessity, inasmuch as its

geographic proximity and certain facilities of communication rendered it inevitable. And it may be truthfully said that even then it was to a few commission merchants in New York who had lived in Santo Domingo or who, because of their connection with Europe, happened to know the commendable qualities of the Dominicans in general, and particularly of the merchants, that the fact that trade had been maintained—although in a languishing manner—between the two countries is really due.

I have referred to the good qualities of the Dominicans, and I must say that this assertion must not be constructed as a presumption of patriotism on my part. Below will be found the testimony of a traveler whose impartiality is beyond suspicion:

"They are a frank, outspoken and open-hearted people, and are captivated with those virtues in strangers. To attempt in any manner to deceive or circumvent them meets with their unqualified and universal condemnation. A belief extensively prevails that they are individually and nationally jealous and suspicious of strangers, that they are full of duplicity and deceit, and that all intercourse and negotiations with them, to succeed, have to be carried on by means of a subtle, overreaching or covert diplomacy. That they must be taken off their guard and deceived and misled into measures before they will accord. But it is a gross libel upon their individual and national names. They like nothing better than frankness and open and fair-dealing."

Fortunately, with the bonds of amity already established, and thanks also to the mutual confidence, respect and consideration which commerce has engendered, a situation exists, both here and in Santo Domingo, that bespeaks the most stable and beneficial commercial relations.

PAPER OF DOCTOR RAMÓN BENGOCHEA, CHARGE D'AFFAIRES OF GUATEMALA

This gathering embodies the fundamental principle of Pan Americanism, a principle without which it would be difficult to establish closer relations among the countries of this continent: The interchange of products among all our Republics, for the equal and mutual benefit of all. And, undoubtedly, we can not overestimate the good results of which these deliberations will be productive, giving a new and forceful impetus to the commercial currents to and from Latin America and the United States.

As the representative of one of the countries of the International Union I can not but feel extremely gratified at seeing that the efforts of the Director General of the Pan American Union in organizing this conference have been compensated to a degree beyond our expectations, for not only is the attendance a numerous one, but it is also made up of a select body of men representing the most important manufacturing and business interests of this powerful nation, one of the foremost standard-bearers of civilization, progress and enterprise.

Guatemala, on account of its proximity, is an exceptionally splendid market for American products. And, certainly, if the manufacturers of this country are to continue cultivating that market, in a comparatively short time, practically everything sold in Guatemala would bear the "Made in America" stamp, because American articles as a rule are considered by Guatemalans to be the best, as they show it by their marked preference therefor. In a word, gentlemen, the conditions of our market could not be more favorable to you. But, of course, you must work the field properly by sending the right kind of agents—men who speak our language and who can adapt themselves to our customs and manners; by packing your merchandise properly; by granting longer credits. This is a point which can not be emphasized too much. As a United States consular officer stated in a report, "the American manufacturers should become better acquainted with the Guatemalan trade, ascertain who are worthy of credit and extend it. The long voyage and delay *en route* compel the importer to ask long credits. It is sometimes two or three months after shipments destined for Guatemala city leave the manufacturer before they can be displayed in the store of the importer."

In exchange for your goods we can offer you, in the first place, coffee, the bulk of which crop now goes to Germany, and whose fame is well known throughout the world, commanding the highest prices; sugar, cacao, bananas, woods, rubber, and kindred products, all of which are second to none in point of quality; and gold, silver, copper, mercury, tin and other minerals.

For the transportation of your manufactures and of our products, Guatemala is well supplied with shipping facilities on the Atlantic as well as on the Pacific coast, several of the steamship lines being subsidized by our Government. There are besides a great number of coastwise vessels, which also carry passengers and freight. The administration policy towards navigation lines is very liberal, and no effort is spared in securing additional facilities which may establish a more rapid and frequent communication between Guatemalan and American ports.

Aside from the great field that there is in Guatemala for the manufactured products of the United States, which have now attained the first place in our import trade, there is still a much broader field, I might say a field unbounded, for the investment of American capital.

Guatemala is a privileged country where the hand of the Creator has bestowed in quantities unsurpassed the best that Nature can give. Our forests contain all kinds of precious woods; our territory is spotted with all variety of mineral deposits, and, on the other hand, its fertility is remarkable, being suited not only to the cultivation of tropical products but also to those of the temperate zone. All this surrounded by a picturesque and luxuriant scenery, and under a benign and healthy climate. Starting from the coastlands and ascending to the high plains the traveler beholds in succession the exuberant vegetation of the tropics and the placid scenery of the temperate countries. And yet, practically all this immense wealth remains unexploited, awaiting the magic touch of American capital and enterprise to awaken it from its secular lethargy and pour out its incalculable blessings.

Immigration, the one great need of most Latin American countries, is encouraged by the Government, under a liberal law which offers the white immigrant every inducement that may be reasonably given. By a provision of the law, the Executive is authorized to deed to immigrants, free of any charge, tracts of public land provided that they cultivate in two years one third of the land thus granted.

Present conditions in Guatemala are such as to render safe the investment of foreign capital in the country.

Under the wise administration of President Estrada Cabrera, the Republic has improved materially, economically and politically, and the stability thereby secured gives assurance of further progress under continuous peace and order. The finances of the country are now established upon a sound basis, and our national credit abroad has at last been re-habilitated. The means of communication are being developed with unceasing activity. Education is promoted and engages the best attention of our President. And, above all, the present Government is over-zealous in meeting its obligations promptly and fully.

Gentlemen, our doors are wide open to you. Lend us your co-operation in developing our resources, and in doing so you will reap manifold profits.

PAPER OF MR. MACK H. DAVIS, BUREAU OF TRADE RELATIONS, STATE DEPARTMENT

The markets of the United States for products of South and Central America are practically unrestricted by duties levied by this country. The United States, one of the most highly protected of all countries, offers the freest of all markets, with respect to duties, for such commodities as nearly all of the Central and South American states have to offer.

Of the more than \$208,000,000 worth of South and Central American products imported for the fiscal year ending June 30th, 1910, 91.3 per cent. entered the ports of the United States without one cent of duty. Taking a few representative countries as examples, it appears that of Brazil's \$100,000,000 worth of annual exports to the United States, 99.5 per cent. pay no duty into the Treasury of the United States. Chile's exports to this country, nearly \$14,000,000 annually, are all free except 1 per cent. Colombia sends us \$7,000,000 in value annually, of which we admit 95.5 per cent. free. Our annual imports from Guatemala are considerably over \$3,000,000, and 98.9 per cent. are free. The sales of Honduras to the United States, which total over \$2,000,000 yearly, are free of duty to the extent of 99.85 per cent. of their value.

If the South and Central American countries were to export to Europe equal amounts of the same goods as they send to the United States, the charges levied upon this commerce would approximate two hundred millions of dollars every year.

The import duties of Germany are such that, upon like volume and value as characterized Brazil's exports to the United States for the year 1910, there would

have been charged nearly \$50,000,000, or an average rate of more than 46 per cent. ad valorem. The duties collected on an equal amount of coffee alone would have amounted to over \$45,000,000, or nearly 90 per cent. ad valorem. France, at her minimum rates of duty, would have charged Brazil nearly \$90,000,000, or an average rate of 83 1-3 per cent. ad valorem, had Brazil exported to France the same articles she sent to the United States in 1910. The single item of coffee would have borne a tax in France of \$83,426,000, or nearly 160 per cent. of its value.

Germany would tax the articles now imported into the United States from Guatemala, were they to be sent to Germany, to the extent of \$1,800,000 per year, or nearly 100 per cent. of their value. The French minimum rates on these same articles would exceed \$3,000,000, or 172 per cent. of their worth.

While the United States collects about \$100,000 in duties on goods imported from Colombia, which is an average ad valorem rate of about 1.34 per cent., the same goods, if imported into Germany, would have to pay about \$3,950,000 in customs duties, or about 53 per cent. ad valorem. In France they would have to pay in excess of \$7,400,000, or practically 100 per cent. of their value.

If a question of reciprocity were raised, as between the United States and South and Central American states, our Treasury records would show that the embargo upon Latin American enterprise, appearing in the shape of United States duties, is so slight as to be unworthy of consideration.

It may be thought that the United States is already absorbing, under favorable conditions of admission, as much of the produce of South and Central America as can be disposed of, but this is not likely to prove true in light of the knowledge that we are large buyers of European products, the raw material of which originates in Latin American countries.

The tonnage of Brazil's exports to the United States, in 1910, was 475,000, while to all the world Brazil exported approximately 1,440,000 tons. Analyze the question of tonnage and you approach an answer to the problem of transportation, the facilities for which, to the ports of the United States, have been, for years, the subject of remark and much adverse criticism. In the case of Brazil—mentioned only as an example, for the conditions that prevail in Brazil characterize nearly every South and Central American country with respect to the trade relation with the United States—the total imports approximate annually 3,300,000 tons, but of this volume only about 150,000 tons, all told, goes from the United States. We only send about 75,000 tons of all commodities per annum to Chile, 30,000 tons to Colombia, and 25,000 tons each annually to Guatemala and Honduras. The total tonnage from the United States to South and Central American states approximates slightly more than 800,000 tons per annum, which is probably not one-tenth of their entire imports, and it is only one-half of the tonnage of imports into the United States from these same countries. How can we expect, under such circumstances relating to the flow of freight, to find steamship lines prepared to compete with the ten times greater volume going into Latin America, established by the enterprise of merchants of other lands? The shipping facilities to and from our shores and from and to the ports of South America cannot, in practice, be increased until business offers which will make increased facilities profitable. We take from Brazil 475,000 tons per annum, and we send her 150,000 tons. We take from Chile 375,000 tons, and we send her 75,000 tons. We take from Honduras 220,000 tons, and we send her 25,000 tons. These figures approximately represent yearly business. They mean heavily loaded ships one way and light-loaded ships the other.

To increase your shipping facilities you must either increase the tonnage or you must pay somebody high rates or subsidies to make the business attractive. If the traffic must stand high rates of freight, it will be slow to develop. It will lodge with those countries where conditions are more favorable. The absence of duties in the United States, upon products of South and Central America, does not, and never will, from a shipping standpoint, overcome the absence of actual transactions. It is the actual business passing which is responsible for the better shipping facilities enjoyed by markets other than our own. We have not nearly done our full share when we make our ports practically free of import charges upon South and Central American products. The next step is one for which public sentiment in this country alone must be accountable. The present fiscal policy of the United States has doubtless gone as far as it can to clear the way. Public sentiment, if animated and centralized and made effective, can bring about the insurance necessary to create increased facilities for shipping, and the only practical insurance must take the form of subsidies.

But public sentiment must go further than to press for subsidies for shipping. It must stir into activity the commercial forces that will lead American merchants and manufacturers to expand their enterprise, as our European competitors have done, to the building up of the demand in South and Central America for such commodities as we in the United States can more readily furnish than can be supplied by any other people. This cannot be done by salesmen and samples alone, but it can be done if, in South and Central America, our people will bring to bear the same intelligent methods of representation and distribution which they employ in our own country. They must establish branches and representative houses with many connections in and throughout South and Central America. They must carry in these branches stocks and full lines of suitable products, and they must conduct their business in the language of the people with whom they are to deal. They must seek the South and Central American demand at first hands through their own independent methods and facilities, and these must be built up with evident regard for the peculiarities of their prospective buyers. Such methods and such permanent branch establishments in South and Central America will develop both the imports and exports of the United States with respect to Latin American trade; and with this expansion will naturally come the establishment of banking facilities that always seek the profits possible in the financial interchanges of permanently developed business.

The question of banking and exchange is a practical one and it is interwoven with and dependent upon commerce, and upon nothing else. To encourage the establishment of American banking facilities in South and Central America, business which naturally flows to and from the United States must be put in motion. This business must be in far greater volume than exists at present. Thus, we have a complicated problem of how, coincidentally, to accomplish a large and profitable volume of commercial transactions, with American banking facilities to meet the need and with American steamship lines to facilitate the transport. I speak of these three features as correlated, because to foster any one is to foster the other two. Thus we are brought to the conclusion, apparent to all who have given thoughtful consideration to this one of the most important commercial questions of the age, that expansion of the trade of the United States into South and Central America depends upon better commercial practice on our part; upon better and more direct banking facilities; and these, in turn, are almost wholly dependent upon lower rates of freight and more frequent ships. Whatever form of governmental aid, in the way of subsidies for ships, that will guarantee low rates of freight both to and from the ports of the United States and establish sailings frequent enough to be attractive will prove to be a potent factor in the solution of the problem.

Since the citizens of the United States cannot have in view, in this entire question of trade expansion with our southern neighbors, any commercial object that will not prove equally advantageous to the citizens of South and Central American countries, it seems to me that there devolves upon those countries a large measure of co-operation. Such co-operation would be most helpful in the way of modifications of tariff rates upon certain heavy-weight commodities which the United States can most readily supply and which, from their nature, are least competitive with Latin American products. These commodities, in the main, are coal, flour, and the manufactures of iron and steel. Such commodities are the best basis for a steamship cargo. Their weight affords the necessary ballast, without which low rates can never be made upon higher-class freight. Wherever the duty rates upon such commodities are high (in some cases almost to the point of exclusion), the outbound traffic from the United States must continue small and the freight rates must remain relatively high. With the way opened for greater sales of our flour, our coal, and our manufactures of heavy-weight goods, the incentive is then placed before steamship interests which they must have as a condition precedent for more ships and frequent sailings. It is along the line of this suggestion that the organization of the Pan American Union, which has been so useful in the cultivation of friendly relations among peoples naturally drawn together by reason of their geographic location, can further demonstrate its practical value to the commercial interests of the Western Hemisphere by working out and developing this and other lines leading to least resistance along which trade is bound to flow. The basic conditions are all present, in the possible trade relations between the United States and its Southern neighbors, for the consummation of the greatest trade pact that the world has ever seen if we on our part, and they on theirs, will so co-operate as to overcome the points of resistance herein referred to, each in its own way, but all bent toward practical means for removing obstacles recognized by all.

PAPER OF MR. M. DE MOREIRA, EDITOR OF *FOREIGN TRADE*, ON TRADE EXCHANGE BETWEEN BRAZIL AND THE UNITED STATES

Before taking up the question assigned for discussion in this paper, the writer would pay a very sincere tribute to the work of the Pan American Union. After all has been said and done, the future of the trade relations between the United States and South America may be summed up in the words: *mutual understanding and sympathy*. Unless these two peoples of the West know each other—know the wants, the resources, the languages, the customs, one of the other—no lasting alliance, nothing stronger than a fragile trade bond, can be formed. Once there is a real understanding, sympathy will spring of it spontaneously and permanently.

It is because the Pan American Union is devoted to the realization of this mutual understanding that its work is so splendid; and it is surely fitting to recall the advances made, the obstacles removed, the friendships formed during many years of useful work; and to express the hope that this Bureau—so valuable to the commerce of each country, may have for many years to come the devoted and far-seeing guidance of its Director General, Mr. John Barrett.

In the study of commerce between two countries, the thing of most vital importance is means of communication. The favorable geographical position of Brazil in the center of South America places it in touch with all the Republics of South America—except Chile—and makes it really accessible from the United States, Europe, and even Africa. With a coast line on the Atlantic Ocean of five thousand miles, Brazil possesses a number of ports to which steamers from the various countries sail regularly.

One of the means for Americans to ship their merchandise to Brazil is through the Lloyd-Braziliero Company. In December a year ago Brazil entered into a new contract with this company, extending its concessions for six years. By the terms of the revised contract the company promised to make a reduction of 20 per cent. on the present freight rates, and of 40 per cent. on Brazilian products when exported from the ports of the State in which they were produced. The extension of this line to New York, which took place in 1907, gave the American shippers the advantage of an independent service.

In point of mail service, however, much is to be desired, and it is urgent that the United States improve its connections between New York and the various ports on the east coast of South America, otherwise it will be impossible to keep up successful competition with European commerce.

Not discussing for a moment the question of "subsidy," but looking at the situation in its most practical light, it is just as necessary commercially for the United States to take steps to have the best mail facilities between its principal ports and those of the east coast of South America as it is to have them with the ports of Europe or with the principal cities within the confines of the United States.

There has been a great improvement of the steamship facilities out of New York. Companies owning or leasing steamers flying foreign flags have done a great deal for the betterment of crude conditions, and it is regrettable that there is a tendency among many to think of the conditions that prevailed a few years ago, and not to give these companies credit for the advances they have made in the service they are rendering. The Lamport & Holt Company, for instance, flying the English flag and sailing from New York, have put on several new steamers running to Rio de Janeiro, Montevideo and Buenos Aires—which are comfortable enough for the most particular passenger. The passenger service is bi-monthly, and at intervals they have freighters leaving New York which stop at the various Brazilian ports.

It is pertinent here to point out a fallacy existing in the minds of some American manufacturers to the effect that when they are shipping goods to Brazil they have to do it via England. Nothing could be farther from the truth.

This introductory discussion, showing us that goods can be easily shipped to Brazil leads naturally to the consideration of the advantages that will come to the manufacturers and merchants of the United States from a careful study of the existing conditions, not only with regard to what they can sell to Brazil, but also as to what they can buy from Brazil.

Today 90 per cent. of the business interests of the United States—which are looking to Brazil as a field of commerce—are thinking of it only as a field for their

exports. In that way the impression is given that the United States is considering only what it can sell without trying at the same time to provide a market for the products of Brazil, and so benefit not only the United States, but Brazil as well.

That one side of the question is as important to the American merchant as the other is shown rather plainly, we think, by the following figures.

The official statistics covering the imports and exports from the first of January, 1910, to August of the same year, as compared with corresponding months of the previous year, show consistent increases—the imports of merchandise being \$142,547,344, or an increase of \$28,748,923, while the exports, which were \$118,740,424, show an increase of \$18,403,331.

What to export to Brazil is a question which can be answered profitably only after taking into account several conditions. Generally speaking, one may say that since Brazil does not manufacture enough of certain products for the needs of its people, manufactured goods will find a ready market there—providing, of course, the manufacturer uses judgment in regard to climatic as well as geographical conditions.

To illustrate this point, let me call the attention of the Pan American Commercial Conference to the fact that the United States has done a great deal of business in flour with Brazil, but it appears that the volume must grow smaller with each year, until it finally vanishes.

The United States was buying so much more of Brazil than Brazil was buying of the United States that a preferential duty was granted on flour and some other articles—which preferential duty amounted to 20 per cent. This preferential is still in force against Argentine as well as other countries.

The duty on flour is twenty-five reis, or four-tenths of 1 cent per pound, and as part of the duty is payable in gold and part in currency, it makes an interesting calculation. At the rate of exchange now prevailing, the rebates upon flour shipped from the United States are close to \$0.19 per barrel. With the low rate of freight prevailing from Argentine, this rebate is not enough to allow business from the United States to be carried on south of the city of Bahia.

The United States produces certain goods which are especially desired by Brazil, to such an extent that the Government protects the entry of these goods by a reduction of duty which is not accorded to the European manufacturer. This is obviously the clover field of the American merchant. Under this act the following goods manufactured in the United States are thus favored: Flour, condensed milk, rubber goods, clocks, watches, paints, colors, varnishes, refrigerators, pianos, scales, windmills, cement, dried fruit, desk and school furniture, and typewriters.

The duty on the last article is 30 milreis, or about \$10, with a reduction of 20 per cent. when manufactured in the United States. The result has been that the American typewriter manufacturers are selling a very large amount of their machines in Brazil, and practically control the market there for this article.

On the other hand, it is strange commentary upon the well-known energy of the American manufacturer that the rest of the articles which benefit under the preferential have not been pushed in Brazil. As an example of this it may be pointed out that Switzerland, which has no such preference, furnishes 60 per cent. of the watches purchased in Brazil; while American pianos—for which there is a great demand—figure at only 7½ per cent. of the importation.

In addition to these goods which are favored by the special tariff, there are others which could find enormous sales in Brazil. Among these are American shoes, which are becoming very popular there, and although the industry is enormous in the United States, only one maker has marketed his shoes in Brazil. True, there is a shoe factory outside of Rio de Janeiro, equipped entirely with American shoe machinery, but this is a very small matter when one takes into consideration the amount of shoes that could be sold.

Another industry which is very flourishing in the United States—and in which, if I am not mistaken, America leads—is the manufacture of firearms. Still out of \$6,000,000 worth of firearms purchased by Brazil, the share of the United States was about \$800,000.

The reason for this is very simple. American manufacturers are trying to sell their goods through regular dealers who import all kinds of firearms and ammunition. These dealers have no practical interest in American goods, and, therefore, the American manufacturer is at a disadvantage. The dealers in most cases favor the European product, and as the purchaser knows very little about the various makes, he leaves the decision entirely to the merchant. If American manu-

facturers of firearms desire to establish their business in Brazil, they should open a branch office in Rio de Janeiro, with other branches in the more important Brazilian cities. With an experienced representative in charge they would certainly get much of the business now going to Europe.

The American manufacturer can therefore see that his products can be sold in Brazil, and that Brazil needs most of them; further, that while he is today taking the largest proportion of the resources of the country, his exports are confined to a few of the hundreds available and profitable.

By far the greatest items are coffee and rubber, which cover fully 80 per cent. of the Brazilian exports, while tobacco, cocoa, etc., make up the remaining 20 per cent.

Anyone who knows the great amount of the neglected raw material available for American use can realize that its non-purchase is due in a great measure to an ignorance of its existence. Such is the case with the various fibre plants of the country. Everywhere you will find the Malvaceas which can be compared very favorably with hemp, and by many people is considered vastly superior when properly treated. There is another plant which has been used most successfully for rope making. Sao Paulo, the great coffee center, is the only State in which fibre is used extensively for the making of coffee sacks, some 60,000 or 70,000 bags being made monthly. In the State of Rio de Janeiro the cultivation of the fibre has been started with the idea of exporting it to Europe. In the State of Minas Geraes there is a fibre which is stronger than hemp, and which grows to a length of from ten to fourteen feet. This fibre is used in England as a substitute for Eastern hemp, but so far no American importer seems to have realized the value of such an importation.

In the States of Sao Paulo, Rio de Janeiro and Minas Geraes there grows a variety of cork which can be used in life preservers, as it has been found that it can support from twenty to thirty times its own weight.

For many centuries Brazil has been growing sugar-cane, but it is only recently that cultivation of this valuable product has progressed to a point where the Brazilian cane is competing markedly with other varieties.

Another product which is very little imported in this country is mate or Brazilian tea. Last year Europe took \$9,000,000 worth of this article, whereas in the United States it is hardly known. It is credited with quite remarkable qualities, and according to an official report in Washington the Brazilian army has subsisted entirely on it during three days of heavy fighting in the Paraguayan war.

American people who have quite a commerce in the fruit industry have never attempted to use the infinite variety of fruits indigenous to Brazil. Few countries produce so many as Brazil, and yet not many of these fruits have found their way here, though they will all stand transportation.

Among other products are medicinal plants and roots, herbs, and various minerals, such as iron, manganese, nickel and zinc. They are but an infinitesimal proportion of the raw products of Brazil, and most of them occupy such a small place on the import list of the United States that they may be said to be practically unknown.

But it is not only in products of the country that American people have an opportunity to acquire wealth. It is in the development of the country itself, which shows unique opportunities for American capital. The telephone, for instance, which is playing such an important part in our daily business life, is becoming very general in Brazil, where there are at present thirty-nine systems, of which four are American, the others being German, Swedish and French. The most important telephone system—that of Rio de Janeiro—is operated by American Syndicate, and has 21,000 miles of underground wire, but there are hundreds of cities where American capital could be used for the installation of telephone systems with great profit to public and corporation.

The construction of railroads is another of the many uses that Brazil has for foreign capital. Over three hundred miles of railroad were opened for traffic last year.

Harbor improvement works are now progressing in ports in Manaos, Para, Recife, Bahia, Rio de Janeiro, Santos, Florianopolis and Rio Grande. Similar works are the survey of Fortaleza, Victoria and Paranagua. At the port of Para the first section of quays has been opened. The channel of the river has been dredged.

Up to the present time electric traction systems have been established in most

of the important cities, and throughout the length and breadth of the country modern improvements are increasing daily.

How much of this is due to American capital and how much to British, German or French enterprise? Sad to relate, there is no comparison to be made in this connection.

Of course, Great Britain, Germany and France have an advantage in the fact that they have banks which greatly facilitate the use of their surplus home capital. The establishment of an American bank is an indisputable necessity if the United States wants to build up an exchange of trade.

This is not mentioned as a reflection upon banking institutions controlled by foreign capital. They have been and are doing a great service in the exchange of commerce—not only for European countries, but for the United States as well—but there is just as much reason why there should be banks controlled by American money as there should be those controlled by European interests. Every dollar of United States capital which goes into banks in South America helps to develop the country and to increase the facility of trade for all the world. There is no doubt that the longer the financial, banking and manufacturing interests of the United States delay perfecting and operating banking agencies in South America, the longer will they delay the day when there will be developed that exchange of commerce between North and South America which should characterize the relations of the two continents of the Western Hemisphere.

Beside banking, there is a need for the American manufacturer better to understand the Latin American character, disposition and business methods. It would seem that the merchant here does not deal in a fair manner with the South American buyer. At any rate, the methods he employs are not methods he would like other people to employ when dealing with him.

These remarks bear especially upon the question of credit. Why should the American manufacturer refuse absolutely to give credit to the South American buyer, whereas he himself insists upon obtaining credit when purchasing the raw material for his products?

Here is a case in point. A manufacturer sold a bill of goods amounting to \$450. With the order came a check for \$400, which amount the South American buyer thought correct. In spite of the apparent good faith of the Brazilian in sending the draft with his order, the American manufacturer refused to deliver the goods until the lacking \$50 were paid. It is doubtful if that man received very much trade from that section of the country, and the chances are that he laid the blame not on himself, but on the lack of progress of South America.

Brazilian buyers have as much right to obtain credit as European dealers who buy from American manufacturers; and the credit extended by European manufacturers is one of the main reasons why the United States is only third in the rank of the exporting countries.

There is no doubt that the North American does not understand the South American or the condition of commerce in South America. Very often his Southern business relations have resulted in some unfortunate experience such as he might have in his own country if he did not go about things in the proper way. He then thinks his difficulty is characteristic of the entire situation. The largest firm in New York will undoubtedly substantiate the statement that merchants in the United States can do business just as safely with Brazil as they can with Europe.

The trade conditions in Brazil may be divided into two kinds—those that can, and those that cannot, be overcome by the exporter, whether he is a manufacturer or producer. Under the former of these may be mentioned the lack of banking facilities and of transportation, both of which are subjects for united action. What the individual manufacturer can do is to bring his market more closely to his plant through the proper selection of agents. It is practically impossible for an American firm desirous of a market in Brazil, with all its opportunities, to obtain it without the employment of agents who will cover the entire country. I say agents, because it would be foolish to attempt to cover with any one agent the whole territory of Brazil from the Amazon to the River Plate. When one takes into consideration the immense area of Brazil and the lack of communication between its market places, the impracticability of a single agent's endeavors to deal with this entire country from a single point will be readily understood. For instance, a firm may have an agent in Rio Grande do Sul, and desire to close some business connection with a firm in Manaos. With the actual means of communication at present in vogue, it is impossible to travel the distance between these two places in less than twenty-five days.

If a commercial house would undertake to solve the problem by locating its agent at Rio de Janeiro, basing its decision on the fact that that city has one million or more inhabitants, and, therefore, is the principal center of consumption, it would commit a grave error. Should the agent there find it necessary to go to Para or Manaus to adjust any of the many matters which would frequently call for his presence at either of those points, he would be obliged to be absent from his main office for more than forty days, which naturally would disturb the routine of business.

Firms seeking trade in Brazil and anxious to achieve results must have at least two agents, one working in the north of Manaus as far as Bahia, and the other in the south from Bahia to Rio Grande do Sul. But since the conditions of Brazilian commerce present the necessity of a permanent headquarters at Rio de Janeiro, it is better policy to establish a central office at that point with sub-agents, to cover the States of Rio de Janeiro, Sao Paulo and Minas Geraes, besides the Federal District, thus allowing for these agents greater scope for activity and opportunity for expanding trade.

The question of the number of traveling agents, however, is not the only one around which the success of a commercial concern will turn. The quality of these agents is of the highest importance. In South American countries, and principally in Brazil, the personality of the traveling agents, his appearance, his education and his bearing mean the difference between success and failure in the matter of getting business results. It must be also remembered that the fundamental Latin strain of the South American people creates a temperamental difference between themselves and the American business man. It should be recognized that the commercial agent must meet at the outset a certain amount of mistrust. The American as a newcomer cannot do business at first sight. The Brazilian is not prone to jump into new commercial relations, and his attitude is perhaps to a considerable extent justified by unfortunate experiences in the past.

The question of language is almost a vital one. It has been fully understood by the chief competitors of the United States, namely, Germany and Great Britain. Indeed, the former of these has so strongly fortified herself, largely through this linguistic quality, that it will not be easy for the newcomer to make any serious inroads upon German trade. A confidence once established is in the eyes of the Brazilian a very valuable thing. The German traveling salesmen speak as a rule besides their own language French, English, Spanish and Portuguese. Either of the last two of these will be a powerful help for the introduction of business in Brazil. But the American business house which would venture to send a salesman speaking English to Brazil would be foolhardy, indeed, as subsequent events would show.

The question of advertising in Brazil is a thing not wholly understood by the American manufacturer, and it is, even more than in America, a peculiar assistant to the agent and salesman. It seems strange to the Brazilian that the American manufacturer who is willing to spend great sums in advertising at home is rather sceptical regarding the advisability of doing so in an importing country. This disinclination to advertise in a country which is particularly susceptible to such influence can only be understood on the assumption that the American manufacturer is unacquainted with one very important feature of the situation. It is a fact that not only in Brazil, but throughout all of South America, trade marks and brands once established in those countries have a definite and lasting value. It is characteristic that in Brazil goods are usually called for in the name of the manufacturer, or by the name he gives to the goods, rather than by the general designation of those goods. As an instance of this, several years ago there was introduced into Northern Brazil a certain brand of axe which is used by the planters of the interior at Para and Amazonas. No Brazilian in purchasing an axe would use the Brazilian word for it; he always purchases an axe under the name of its original manufacturer. Several attempts have been made to introduce other brands of axes, some possibly better, but all such efforts are fruitless because one manufacturer affixed his name so positively to the article that for many decades this particular axe has maintained its supremacy in the minds of the buyers of that region. In cutlery, dry goods, pharmaceutical products, shoes, hats, agricultural machinery and other lines this fact has the same peculiar application.

Much advice could be given to manufacturers in regard to establishing a market for their goods in Brazil, but the most important is to study thoroughly the country, climate, people—and their business methods.

The result will prove the wisdom of this statement.

INFORMAL REMARKS BY: MR. A. B. FARQUHAR, DELEGATE FROM THE NATIONAL IMPLEMENT & VEHICLE ASSOCIATION AND ONE OF THE DELEGATES FROM THE NATIONAL ASSOCIATION OF MANUFACTURERS

A few suggestions from a manufacturer of implements and machinery of fifty-five years' experience, with an export trade throughout the world for forty-five years, especially in Latin America, may prove of value to this Conference.

The importance of close relations with our Latin American neighbors will be appreciated when it is remembered that their import and export trade amounts to about two thousand millions of dollars a year, comparing very favorably with that of the United States. Fifty years ago a large portion of this trade, then in its infancy, was in our hands, and our vessels were to be found in every port. Now out of 2500 vessels entering the port of Rio Janeiro last year, the United States had but seven sailing vessels, no steamers. And we have no banks in South America. It is true, we have facilities for shipping goods from our ports through European lines; but there is much sentiment in business; trade is apt to follow investments and personal acquaintance.

Human nature is very much alike in fundamentals everywhere, and we make a great mistake in judging the Latin people inferior because they differ from us, haven't the same attitude of mind. From personal knowledge, I may say that they are superior to us in many respects. They are more courteous, have a higher sense of honor, a finer artistic sense. We have quite as much to learn from them as they have from us. With proper care, and investigation of credits, which we can obtain through our Consuls and the Commercial Agencies, loss may be practically eliminated. I can safely say that my total losses have not averaged a tenth of one per cent., which is a good deal more than I can say of domestic business. For instance, more than a hundred thousand dollars was due me from the Argentine at the time the finances of that country were prostrated by the Baring failure. Every dollar was subsequently paid. We have gained a large share of the trade of Mexico, for instance, by visiting the people, becoming acquainted with them and making investments there.

The customer has the right to say how he wants goods made and packed. If we desire to sell them, it is our business to comply with their wishes. The question of packing is of the utmost importance. A delegate to this Conference said he was glad to find there was "no longer any Kindergarten talk about packing." I question very much whether he has had much practical experience with shipping to South America. The matter of packing is primary and of the utmost importance, and want of proper care in packing has cost the American manufacturer dearly. To win South American trade we must cultivate esprit de corps, all work together, say a good word for America and American manufactures wherever possible, and send the right sort of men to represent us, since courtesy is absolutely essential in dealing with Latin races.

In conclusion I would suggest that in the meantime you often visit this "temple of friendship," talk with John Barrett, and all subscribe to the Bulletin of the Pan American Union and carefully read every page of it.

EXTRACTS FROM PAPER SUBMITTED BY MR. JOSÉ MARCAL, GENERAL REPRESENTATIVE, *JORNAL DO BRASIL*, FOR THE UNITED STATES

The blame for the backwardness of commercial expansion between the United States and Brazil can be placed exclusively at the door of the American manufacturer, by reason of his ignorance of business method compatible with Brazilian ideas and education. The American manufacturer undoubtedly desires to do business with Brazil, but seeks to impose his own methods, and does not in any way cater to the Brazilian taste and ideas, hence the Brazilian preference for the supplier who understands him, and who aids him in every way possible towards the success of his business. He gets these facilities and attentions from the British, French and German manufacturers, while the American leaves them to the New York export commission houses, thus involving additional charges for the Brazilian buyer.

Again, the amount of American capital employed in Brazil is comparatively small. As Consul Lay remarked, the greater part of the capital employed in public works, etc., is foreign, and it is therefore quite admissible that Brazil prefers those markets where she finds money and credit in times of need. The United States is hurt because we do not build our warships in her yards, but she does not pause to consider that we are accorded greater facilities by the British shipwrights.

Besides the above cited obstacles created by the ignorance of the American manufacturer, there must be taken into consideration the potent fact that practically all the Brazilian commerce is in the hands of Europeans, who know the markets of the Old World better than those of the United States. It therefore behooves the American to make a systematic propaganda of his goods. It is well known that the United States is Brazil's best customer for her products, such as coffee, cocoa, hides, rubber, etc., and it would seem reasonable that she reciprocate by giving preference to the United States for her purchases. That this condition does not obtain is simply due to the fact that Brazil enjoys greater advantages in other markets, particularly as regards credit. Furthermore, there must also be taken into account the sentimental fact that Brazil's commercial relations with Europe date back to the time when the manufacturing capacity of the United States had not developed to the point that she needed the foreign markets in which to place the excess of her production.

All these arguments go to prove the need of extensive propaganda of American goods in Brazil. The field is large—Brazil has an area larger than the United States proper, with a population of nearly twenty-five millions—and with the preferential tariff now in force, the United States should head the list of Brazil's suppliers. The American patent medicine owners have long since discovered the value of our country as an outlet for their productions, and I might mention several firms who have made immense fortunes by the sale of proprietary medicines in Brazil.

We are large buyers of staples, and of course are obliged to come to the United States for such articles as kerosene, rosin, turpentine and flour, although in this last mentioned commodity Argentina is a close competitor, chiefly on account of favorable freight rates. We buy immense quantities of lumber, barbed wire and agricultural implements, and nearly always place the orders in the United States. Now, why should we not come to you for all our manufactured goods, chemical products, drugs, perfumery and an infinity of those articles in the production of which this country is equalled by few and excelled by none? Because your manufacturers will not give us credit.

In the city of New York there are innumerable export houses doing a large and profitable trade with Brazil, and there exists amongst them keen competition for the business. The exporter buys for cash, and extends credit up to 90, 120, and even 150 days' sight to his customer. Now, why should the manufacturer decline to extend the same facilities to the oversea consumer? This would eliminate the exporter's charges, and enable the manufacturer to place his goods in the Brazilian markets at prices which would compare favorably with those of Europe. Of course all the American manufacturers could not maintain an export department of this nature, still I could mention several firms, particularly those interested in cutlery, hardware, tools, etc., who by so doing would save the "middleman's" profit for the consumer.

In thanking this select assembly for their attention I beg leave to sum up as follows:

When the United States understands that in order to take her proper place in the Brazilian markets she must know how to compete in every way with England, France and Germany, that is to say, to allow the buyer the same facilities and credit which he finds in Europe; to choose as the representatives of her factories men who can adapt themselves to our ways and ideas; to create American banks for the facility of transactions between buyer and seller; advertise largely her products; translate catalogues into Portuguese and correspond in the same language; then, I say, will she take her place in the foremost rank of Brazil's suppliers, for we hold the United States in real esteem and sympathy, and lean towards her as the great head of Pan Americanism.

EXTRACTS FROM A PAPER ON THE EXCHANGE OF TRADE WITH BRAZIL, SUBMITTED BY MR. LOUIS RAPOSO

The only effective manner to canvass the Brazilian trade is for the manufacturer to engage the services of competent travelling salesmen. It is an expensive one, but the market is there, an excellent market, with unlimited possibilities for expansion, as it is bound to ever increasing tendencies for many years to come. Brazil has a territory larger than the United States proper, and Germany combined, with less than twenty-five million inhabitants; it has hardly any manufacturing industries, has to import nearly everything in that branch of industry. It is an essentially agricultural country, and yet imports potatoes and beans, and we have seen shipments of eggs forwarded from New York to Pará. Why? Because the man who is busy gathering rubber and getting liberal compensation for his labor cannot afford to abandon the work of producing that precious raw material to plant beans or potatoes, or even to breed chickens, though he has to pay most exorbitant prices for eggs. The Brazilian Government is directing its attention and using great efforts to the colonization of its vast territory, but the immigrant will find it an easier and more productive work to tear from the wealthy bosom of the soil its untold richness of metals of precious value, of its rubber, its cotton, its coffee, its sugar, its cocoa, its fibres, an enormous number of products with ready sale at home and abroad, than to engage himself in any manufacturing industry. It is clear, then, that the opportunities for the foreign manufacturer, who is looking for Brazil as a market for his wares, will be good and lasting.

If the American manufacturer wants to wrest a better share of the trade from his European competitors, he has to adopt means as good or better than theirs in order to canvass the trade. The very best means that can be adopted is to send a representative to Brazil, not so much to effect the sales himself, but to employ natives to do the selling for him. If possible, to have an office in the main cities, or at least in Rio de Janeiro. The office may be managed by an American, but the salesmen ought to be natives and allowed to follow their peculiar way of performing the work. If that is not practical, an arrangement to group four or six manufacturers to maintain the office ought to be tried, and as a last resort, an established native concern ought to be contracted with to act as the representative of the manufacturer.

From an American standpoint, looking at conditions and analyzing them as if they existed in Brazil, just as they are in this country, which is a decided mistake, suspicion may arise from our persistence in recommending the native salesman, who, however, we would prefer, if at all possible, to be a man who is acquainted with American methods of doing business, to use that knowledge in combination with his familiarity of the peculiar Latin American ways, using it cautiously and wisely, to smooth the way towards the modernization of trading system, helping his own object and contributing to the advancement of his country.

But our persistence in recommending the native salesman is impelled by the existing conditions in Brazil, where sentiment predominates to such an extent that in some cases controls business in a stronger grasp than business principles themselves. The right quality of goods and the right prices are very good elements to have at one's command when we try to sell goods to a Brazilian, but they are far from being everything, and possibility of the sale does not rely on them, nor even on the need the prospective buyer has of the goods offered for sale, but more strongly on the way to approach and treat the customer. You have to make a friend of your prospective buyer before you can hope to make him your customer, and if you wink at this advice as silly, you will find out some day that your competitor, through sentiment and friendship, succeeded in getting an order away from you at prices slightly higher than yours, and in spite of the prospective buyer not being in great need of the goods offered.

The advertising matter is another factor that needs attention and in a large percentage of cases is hindering trade. It is no exaggeration to state that while Spanish advertising matter sent from the United States is in 80 per cent. of the cases fairly good, the Portuguese is bad in about 70 or 80 per cent. of the cases and in about 60 per cent. of the instances is unfit for distribution and will absolutely do no good. The fault lies in a great measure in the lack of competency of the translators, but it lies sometimes with the manufacturer who has not realized that where temperament of races is so vastly different, they cannot expect that an advertisement written to appeal to an Anglo-Saxon will have the same effect on a Latin, and vice versa.

Do not try to send advertising literature into Brazil unless it is written into Portuguese, if you wish it to receive the attention of the people. United States Consuls in the different cities are constantly calling the attention of the manufacturers to this, yet they insist in sending catalogues to Brazil in English and Spanish.

Though we said above that Brazil needs everything in the manufacturing line, it does not follow that every article made here can be sold in Brazil. A line of parlor stoves would not sell, because the climate does not require their use; the sale of rugs will be extremely limited; other articles are not sold because they ignore their existence and because methods adopted are antiquated and such lines need an educational campaign; we will cite, as an instance, poultry food, incubators; others need special study in material to be used in the manufacture, like pianos, that need to be of special wood for some parts of Brazil to withstand humidity, for others because of worms that attack certain kinds of woods. Then we have to consider that Brazil has 5000 miles of coast and goods of one kind sell better than others in one district and the reverse happens in another zone, where climate is different, tastes for colors also different, and other conditions to be considered in the study of the possibilities of trade.

It is opportune to state here the lines, the sale of which would well compensate all efforts and expenses to introduce in the Brazilian markets, and they are exactly those favored with a preferential tariff when their precedence is from the United States. They are: Drugs and proprietary medicines, wheat, flour, condensed milk, rubber goods, varnishes, typewriters, refrigerators, pianos, scales, windmills, clocks and watches, furniture, printing material, machinery, hardware, novelties, agricultural implements, autos and other vehicles, shoes, beverages, perfumes, paints, roofing, steam and electrical specialties.

Among the articles which the United States is having such a poor share of the trade and which have such superiority over the European manufacture, that really ought to control the trade, is *shoes*.

Three years ago, when we left Brazil on our last trip, there was only one American manufacturer sending shoes to that country, and in Rio de Janeiro there was only one store handling them. This house, we understand, was tied up by an arrangement of exclusive agency with an English firm, from London, and no one could get shoes but through that agent. As a result the sale of those shoes was limited. Shoes that retail in this country at \$3.00 and \$4.00 were selling at from \$8.00 to \$12.00. The high cost excuse was placed on the broad shouldered Government, which stands so much abuse, the duty, and yet, if an American manufacturer opened stores in Brazil he would find out that he could sell his goods for 100 per cent. less than the current prices and make a far better profit than he can make at home. The result of great increase of sales with such reduction is obvious.

The parcel-post between Brazil and the United States if taken advantage of will bring a good deal of trade to this country. When the parcel-post in Brazil was started with England and France, business through that facility grew to such an extent that the retail stores raised protests against it.

English and French concerns distributed catalogues and some went as far as to establish agencies where small buyers could leave their orders to be forwarded to the main houses in England and France. The Department stores and others in this country could follow this example with advantage. We will be glad to give any detailed information about this or any other suggestion we make in this paper, and manufacturers have already many channels of information besides the Monthly Bulletin of the Pan American Union, such as The Philadelphia Commercial Museum and kindred institutions.

Brazil being an essentially agricultural country, few lines will find a larger field than the agricultural implements and machinery. To give an idea of the possibilities I will cite an example. A large concern doing only a small business in this line, through correspondence, sent down in 1907 a German-American salesman who spoke the language of the country and adapted himself to the ways of the people. Having been recommended to us, we wrote a couple of editorials in the daily paper of which we were one of the editors, calling the attention of the planters to the antiquated methods they were adopting in their agricultural work, and telling them of the opportunity to buy up-to-date machinery from my friend. Some four months afterwards we were told that our friend had sold about \$200,000 worth of his goods.

He had to contend with a great difficulty, since his firm did not allow him to extend credits, but by paying a commission equivalent to 6 per cent yearly a German commission merchant in Brazil paid cash for his orders and extended credit to his

customers. Where there is a will there is a way. Often the manufacturer in America will be frightened away from the field by the fancy drawback of credit. As a matter of fact he can get cash for his goods, and all he has to do is to discount his drafts. It is better for the manufacturer to extend his credits through a regular bank than through the assistance of the commission house as in the example we mentioned above. He would do a larger business for the good reason that the Brazilian merchant may interpret the intrusion of the intermediary party as a sign of mistrust. By adding to the price an equivalent to the interest of the money for the length of credit given, sales may be affected with the same profit as if for cash, and the manufacturers will have no trouble in discounting his paper in the English and German banks doing business with Brazil, with branch offices in New York City, if their standing warrant the transactions.

The manufacturer who is really interested in the Latin American trade ought not to limit himself to send salesmen to the field. He ought as well employ at the head of his Export Department some one also acquainted with conditions in those countries by actual experience and travels. He would avoid mistakes, save time and money.

We have seen letters from manufacturers who undoubtedly have some incompetent man at the head of their Export Departments, but who are large concerns, highly interested in the Brazilian trade and spending money to get it, and lines that have vast possibilities for enormous sales, to make mistakes that will make them lose time and money, hindering the business in many ways. We have seen them ask their correspondents to employ women on their own account to distribute samples, and some even asked their agents to employ women as canvassers to introduce their goods. Were they acquainted with conditions in Brazil they would see how silly it will sound a suggestion of that kind in a country where women confine themselves to domestic work. We have seen others offer exclusive agency for the whole of Brazil to a small merchant away in the interior of a central State. The folly of such policy can be humorously called trade suicide. We have seen others trying to score a point in favor of seducing profits to induce their agents to active work, mention as a great advantage the fact that they are placing goods in Brazil at a cost and freight much below the retail price stipulated and marked in their wares, forgetting that duties have to be paid which will be a big factor in the determination of actual cost. Goods for countries with high tariff ought never have prices set down for retail trade. Then there are differences in prices from State to State and from coast to interior. An article may sell for \$1 in Rio and leading ports, for \$5 in interior of central and South Brazil, for \$8 in Para and Manaos, and for \$10 and any fancy proportion away up the Amazon river and its tributaries. Another illustration to illustrate the errors an incompetent man can commit is a cable code an important concern sent to their customers in Brazil. Many of the words had more than 10 letters, and as the limit given by the cable company is ten letters to the word, this concern was compelling his customers to spend unnecessarily one dollar extra for each word thus absurdly furnished, as \$1 is the price for word between here and Brazil. Another error we have seen, and this one in many, many instances; it is the sending of catalogues with details as to weights and measures without adopting the metric or decimal system. It only serves to confuse the buyer. Take any English or German catalogue and you will see that beside the inches or bushels, or any other measurement, there will be its equivalent in the decimal system. Others quote prices for goods placed on board in some interior Western city. The customer in Brazil has not the facilities to find out freight rates to a seaport, generally New York or Philadelphia, the only two where steamers for Brazil touch, and that way he cannot calculate the cost of the goods. All prices ought to be free on board the steamer that will take the goods to Brazil.

The instances are numerous and it would be impossible to give in this paper an account of them all, neither would it be possible to give information fitting every line of goods, but, as we said above, we are always ready to give any information requested from us.

PAPER OF MR. L. A. KIMBALL, OF SIMMONDS MANUFACTURING CO., NEW YORK

Those of us who have enjoyed business with Pan American countries, either in large volume or in small amount, will recognize the fact that there are a great many details that it is absolutely necessary to consider in the matter of filling orders,

and that there is a great tendency on the part of the manufacturers here to ignore a lot of these details almost to the extent of virtually saying, "Oh, they do not amount to anything; we'll get the goods out of the country and let the buyer do the rest." Now, if these instructions that are given with the orders are of no value, and not worthy of receiving any attention, they would never have appeared with the order. They all mean something. They are each vital to the other in order to have the entire transaction complete.

An American manufacturer in the West received quite an order covering a full line of what might be termed agricultural hardware. There was, as usual, instructions accompanying the order as to invoicing, shipping, bills of lading, packing lists, making draft, marks and numbers. When the manufacturer received this order it looked good to him, and he immediately set to work and manufactured all of the goods, got them together, checked the quantities off with his invoice, packed them in cases, had them all ready to ship, and part of his instructions were to mark each case with B in a diamond over Buenos Aires and number "1 and up." To the greater portion of you here present this would have been simple enough, but to this Western manufacturer, what did he do? He made out his invoices on three or four large pages, paid no attention to the packing lists, and on the side of his invoice he wrote in red ink, "each case numbered 1 and up."

Now, gentlemen, I would ask you to go down to Buenos Aires and be the receiver of these goods. There were fifty-one big cases, and all that the buyer had to guide him as to the contents of any one case over another was "nothing," as they were all numbered alike. He had no data whereby he could go to any one of the fifty-one cases and be sure of finding any particular line of goods in that particular case. The consequences were that the buyer, if he wanted any goods on that invoice, had to start in and open up every case until he found the goods that he was looking for.

This also caused complications in the custom-house and caused days of labor before the buyer was able to find out whether he had received all of the goods he was supposed to have received or not.

The matter was finally straightened out, and the manufacturer in the West received a bill for extra services caused by his negligence, charging him with seventy-two dollars, and I wish to say to you gentlemen that the manufacturer bought the information cheaply.

Had this manufacturer used what to most shippers would have been the plainest of common sense in handling these goods he would have packed his goods in a case, made a packing list of its contents, and made the first case No. 1, second case No. 2, third case No. 3, fourth case No. 4, etc., etc., and attached these packing lists to his shipping papers. Then the buyer would be relieved from all of this work and annoyance, and incidentally the manufacturer would have saved himself seventy-two dollars.

Another instance is a case where a manufacturer in the eastern part of the United States complied with all of the necessary details as stipulated in the order, only where he made the mistake in the matter was that after he had made up his packing lists he put them into the cases, put the covers on the cases and nailed them up, and did not furnish any advice, only at the foot of his invoice he said: "You will find the packing lists in the cases." These goods were going to Manaos, and, as a great many of you are well aware, necessitated two or three transshipments, and not only that, but the ship that took the goods out of this port got into trouble, the goods were transferred to another ship, and then transferred to a third ship to go up the river. Nineteen of these cases arrived at destination, and the buyer then had the pleasure and annoyance of opening up the nineteen cases to get his packing lists and check the goods that had arrived off his invoice before he could in any way know what had been lost.

Gentlemen, I now ask you if you think that it is at all probable that in either of the two above examples the buyers would put themselves out very much to send duplicate orders. I think they would not. On the contrary, they would feel more than disposed to send their future orders to manufacturers who would carry out their instructions regarding shipping, etc., etc.

In another instance of a matter touching on this line is an extract that I am going to read to you in regard to a foreign shipment that arrived at destination from New York, and I am going to quote directly from the buyers' letter so as to illustrate the matter thoroughly:

"Added to other troubles was the insufficiency of the package containing the

machine. This, like nearly all American cases, was far too light for the contents, and by the time it was loaded the machine was practically 'naked.' There was no bottom to the case, and the machine was simply nailed to skid pieces and the case built round it. Had it even been bolted to the former it might have held, but practically all of the nails drew out when the case was slung. We are satisfied the machine was all right, but this was more by good luck than any management on the part of the shippers. The steamer's surveyor gave a certificate that the case was insufficient, and had the machine been broken we are satisfied you would have had little, if any, chance on enforcing a claim."

The machine that is spoken of in the above letter is one that weighed 3200 pounds, and I leave it to your own good judgment, gentlemen, if this buyer would send a duplicate order with any confidence when his first shipment arrived in the above manner.

We have heard it stated here in this room that the American manufacturers are improving in their packing. This is certainly very gratifying. There is certainly a great opportunity for them to do so, but they have a long way to go as compared with the European manufacturers, who are past masters at the work.

There is among manufacturers in the United States an idea prevailing that they cannot compete with the cheaper labor of Europe in producing goods for Pan American countries. I am going to ask them how far they have investigated this matter. They have learned that the wages over there are about one-third of what they have to pay over here, but I would like to inquire if they have investigated this question any further. Have they taken into consideration the quality and the finish of the material that the Pan American countries ask for? Have they found out what the cost of labor from value of factory output is in Europe as compared to the factory output in their own works? If they have not done this, I would suggest to them that they investigate this matter. They may find something to remove in a great measure their idea that the day's wages cut such a serious figure in the matter of competition. I am quite thoroughly satisfied in my own mind that when the quality of the goods manufactured is taken into consideration that the American manufacturers are not seriously handicapped. I am also thoroughly satisfied that there are no keener, more appreciative or better judges of merchandise anywhere in the world than our Pan American friends. They are willing to pay the price for the quality, but they are not willing to pay a high price for inferior quality. Give them what they want in the quality that they require and you will find that they are always ready to pay you a fair manufacturers' profit for the goods, or, in other words, "treat your Pan American customers as you want to be treated by the people you have to buy material from, and you will find that they will treat you just as fairly."

I have only one more point that I want to call your attention to, and this of necessity must be entirely of a personal experience and to qualify myself before you, and I leave it to your good judgment to give it such consideration as you please.

I want to state that it has been my pleasure in the last twenty-five years to do business under twenty-two different forms of government on this globe. In every country that I have been in I have made it a universal rule to call on our ambassador, our consul and our consul's agent whenever it was possible for me to do so, and I want to congratulate the Government of the United States on the universal ability, courtesy and energy that every one of them have extended to me whenever I had the pleasure of meeting them. They have been more than anxious to render all possible assistance to help extend the commerce between the country that they were accredited to and the United States. They have done so to such an extent as to really make it embarrassing to me at times, because I could not in any way reciprocate their courtesy; and I also regret to have to say that the facilities extended to these ambassadors, consuls and consuls' agents by our Government to enable them to carry on the almost unlimited amount of work they have to perform, not only in taking care of the many details connected with their offices, has their assistance been entirely too limited in the way of help, but their offices and places of doing business are so contracted in space and equipment as to make one blush with shame compared with what other nations of much lesser importance are provided with.

I can call to mind one instance where the American consul who was accredited to a city with over half a million population had only two small back rooms of an inferior location and building to conduct his business in, and from my own personal knowledge he was only able to provide himself with what we in this country would call a hall bedroom on the third floor of a cheap boarding-house, for the reason that his remuneration by the Government here would not allow him better

quarters on account of the necessary expense that a man occupying the dignified position of consul of the United States must incur to keep himself properly before the public there. There are nations all over the world represented there, and there are necessary social functions taking place constantly, and naturally the representative of the United States is also one of the first that is at least somewhat prominently before them all.

What I would like to see is that the United States Government should install all of our ambassadors, consuls, etc., in the proper quarters, and, more than anything else, that they should receive the proper remuneration for the work that they do so ably and loyally, and I would ask every one of you gentlemen when you return to your places in the United States that you take Ambassador White's advice, and write to your Representative in Washington and to your Senator in Washington to do everything in their power to lift all of the consular bureaus of the United States up to the dignified position that the country they represent should entitle them to have.

PAPER OF DOCTOR WILLIAM S. MYERS, DIRECTOR CHILEAN NITRATE PROPAGANDA (NORTH AMERICA'S NEED FOR CHILEAN NITRATE)

The present exhaustion of our American soils, as is clearly shown by their really pitiful average yields for our staple crops as compared to those of Europe, points strongly to the rational use of fertilizers as an important first aid to our farmers.

Intelligent cultivation goes, of course, hand in hand with rational fertilization, but the most available form of nitrogenous plant food is what is most needed and what is most essential for our North American soils.

The nitrate producers of Chile are now able to provide this need in the best form, viz., nitrate of soda. Our American farmers have already shown their appreciation of this product of Chile by trebling their use of it in the last decade.

The legumes as a source of nitrate are rather too slow in action to give real immediate profits when used to produce great money crops. Hence for their urgent needs our American farmers' appreciation of the quick-acting Chilean nitrate is easily understood.

The development of agricultural co-operation by European farmers for purchasing supplies and for marketing produce places them in a much stronger position than our farmers. Moreover, it induces a clearer understanding of the farmers' power in the business world, for with financial strength comes generally a clearer vision of actualities.

The early established European custom of directly using the fertilizer simples, and notably the rational use of the nitrate of Chile, accounts, with thorough cultivation, for the splendid average yields of staple crops now enjoyed by most European States. The application of more than one science to European agriculture thus induced the early and widespread use of Chilean nitrate in Europe. Besides, Europe had an immense advantage to start with in that her agricultural experiment stations were started before commercial fertilizers began to be used, and hence the early rational use of nitrate of Chile, and in marked contrast to our farmers' disadvantage in having had our experiment stations established long after the manufacture of commercial fertilizers had begun, thus permitting irrational practice to become a habit.

A comparison of the average yields per acre of two staple crops only will suffice to show the striking differences between the countries as to their agricultural practice, viz.:

	Wheat.	Oats.
United States, average yield per acre.....	14 bu.	30 bu.
Germany, average yield per acre.....	28 "	48 "
England, average yield per acre.....	33 "	45 "

and similar contrasts obtain for other crops.

It seems plain that Europe has practically solved the problem of soil exhaustion. As part of the rational use of fertilizers in Europe, the enormous consumption of Chilean nitrate has had a most potent influence in soil conservation. For outside

of Russia, Europe takes over a million tons of Chilean nitrate annually, and for use on a smaller total acreage than is under cultivation in the United States, whereas here we take less than 300,000 tons per annum for agricultural purposes.

Our 400,000,000 acres of tillable lands might profitably take 20,000,000 tons of Chilean nitrate per annum, and eventually will take a vastly greater tonnage than at present, and without doubt immediately after the Panama Canal is opened.

Our plantations and our farms could readily add, by the rational use of Chilean nitrate,

10,000,000 bales of cotton,
300,000,000 bushels of wheat,
600,000,000 bushels of corn,
300,000,000 bushels of oats,

and enormous increases in the annual production of other staple crops on our present acreages.

Moreover, an annual North American consumption of even 5,000,000 tons of Chilean nitrate would not only add a handsome item of revenue to our transportation companies on its own account, but it would add immensely to such annual revenues by virtue of the resulting outbound tonnage of increased agricultural produce and to the extent of many millions of dollars.

Abundant employment for labor generally would thus certainly result, and the sale of the vastly increased tonnage of agricultural products would bring great prosperity to our farmers and almost immediately to our factories. Incidentally, our food supply would be greatly increased and more reasonable prices for those important items, which now are so high as to constitute the chief obstacles in the way of a more reasonable cost of living.

For the products of the west coast of South America the future is brilliant for their use here in North America, but for an early realization of this as one of the very important purposes of Pan American reciprocity it is for us Northern Pan Americans to promote the northern use of this most valuable and unique item of Pan American commerce for the mutual benefit of the countries concerned. It is only thus that we may forestall becoming a food-importing country, as our honored President has already suggested, as a possibility of the not very distant future.

PAPER OF MR. CAYETANO ROMERO, MEXICAN CONSUL GENERAL IN NEW YORK

TRADE RELATIONS WITH MEXICO.—Statistics show that trade between the United States and Mexico has considerably increased in the past ten or fifteen years, and today the United States is getting a respectable share of the import business of Mexico, which was formerly practically controlled by England, France and Germany.

FIELD FOR FUTURE TRADE.—Mexico still offers a large field for the development of business, and manufacturers and others seeking a market for their goods ought to study the advantages the market affords for their respective line of goods. American consuls stationed at different places throughout Mexico are enabled to fully acquaint the American manufacturers and exporters of the possibilities of trade in the different markets of the Republic.

PROPAGANDA OF GOODS.—This is one of the points in the development of trade that should be well looked into and studied, especially by manufacturers wishing to introduce their goods in foreign markets.

There are many ways adapted by manufacturers in making the propaganda of their goods in foreign fields, but the great mistake made by a great many of them is in sending out their catalogues or printed matter in English instead of Spanish. Cuts and illustrations in catalogues are good as far as they go, but they fail to acquaint the prospective purchaser with the details of the goods offered, and the result is that no orders are derived from such a propaganda.

It is sometimes a fact that manufacturers seeking export trade do not want to make the investment of issuing an entirely new catalogue, as an issue of certain kinds of catalogues involves a large expenditure; but at the same time it should be borne in mind, as stated before, that catalogues in any language other than the one spoken in the country where the catalogues are sent to will never bring any material

results in the way of orders. If manufacturers do not want to make the disbursement of issuing a new catalogue, and want to use the edition they already have out in English in seeking export fields, they should at least issue a supplement in Spanish to that catalogue, and in this supplement incorporate all the details of the articles illustrated in the English catalogue, as well as prices, weights, etc., so that in sending out their catalogue along with the Spanish supplement the prospective purchaser will be able to look same over thoroughly and thus ascertain whether or not the goods therein described and illustrated in the English catalogue are well adapted to his needs. A supplement of this kind would be of comparatively small expense, and the manufacturers would be enabled to make a more effective propaganda of their goods, with far better results.

ADVERTISING.—There is quite a number of export journals published in this country that claim a very large circulation among the leading merchants and business men throughout the Latin American countries. Of such publications I believe there are but a few that actually accomplish what they claim in the way of producing results for their advertisers.

Manufacturers, in my opinion, should study out the best method of advertising their own particular line of goods, as, for instance, there are certain lines of goods which are not well adapted for advertising in the export journals, and the manufacturers of these particular lines should try different means of advertising their goods, as, for instance, circulating small pamphlets or folders, properly gotten up and which will convey to the reader as full information as possible regarding the goods. This will be a comparatively small expense at the start and sufficient to ascertain what demand, if any, there is for the goods. Another point should not be overlooked by any manufacturer wishing to export his goods to Mexico, and that is to ascertain the cost of transportation, import duties and other shipping charges which the purchaser will have to stand for, and thus ascertain what the approximate cost would be to the purchaser for the goods landed at their final destination. This will enable the manufacturer to quote his prices accordingly, and it might be the means of securing more orders.

PACKING.—Poor packing has been the cause of the loss of a great many orders to manufacturers. Any manufacturer really desirous of preserving his export trade should make it a point to give his particular attention to the packing of his goods. As a rule, the manufacturer seldom sees the goods when they leave his factory, and most likely his attention to other matters in connection with his business prevent him from devoting some of his time to see that the last details on the order he is shipping are properly carried out, and naturally the matter has to be left entirely in the hands of his shipping clerk, who, as good as he may be as regards his domestic packing, it is often found out that shipping clerks pay little or no attention to export packing. If such clerks would only take into consideration the distances the goods have to travel and the amount of rehandling they are subjected to, they would then exercise more care in fitting out an export shipment.

Actual facts have shown that in a great many instances goods destined for export shipment are packed in cases or crates that would not even hold the goods for the first handling without breaking apart, and still the shipping department of such houses allow goods to leave their factory practically unprotected, and by the time they reach their final destination, after being rehandled perhaps a dozen or more times (and freight handlers are not diamond cutters), there is hardly anything left of the goods, and the purchaser, if he has paid in advance for his goods, has no redress whatever, as the manufacturer, as a rule, states either on his letterheads or billheads that his responsibility ceases when goods leave his factory and received by the transportation company in "apparent good condition." The foregoing statement happens almost every day, and, in my opinion, it is a rather detrimental way to handle export business.

Another point that manufacturers should bear in mind is the way in which goods of different nature should be packed in one single case, as, for instance, I have seen cases where a customer has ordered a lot of different goods which, by their nature, had to be packed all in one single case. The goods in question had to pay different rates of duty upon entering the custom-house in Mexico. The manufacturer who got the order and shipped the goods simply called it a case of "photographic material," while, in fact, that case contained photographic goods of different kinds, such as films, plates, paper, cardboard, liquids, paste, articles of iron or wood, etc. The result of such a way of packing was that, as the declaration on the consular invoice was wrong, the custom-house at the port of entry in Mexico assessed the

duty on the whole contents of the case, taking as a basis the goods therein that paid the highest rate of duty, and the purchaser had thus to pay perhaps three times as much as he should have paid had the packing and shipment been made right. If the manufacturer is not acquainted with the customs regulations, and a shipment of the nature referred to above should be made, it would always be well for the manufacturer to weigh each and every one of the articles contained in that case and specify their kind and weight on the consular invoice, and thus avoid the heavy duties which the customer has to pay and perhaps a heavy fine on account of wrong declaration.

TARIFF REGULATIONS.—The tariff regulations of Mexico are reasonable and the same rate of duty is assessed on goods, no matter where they come from. Duty is assessed on gross, net and legal weights, and some commodities pay according to the measurement.

Manufactured articles consisting of two or more materials shall pay the duty levied on the material predominating in quantity.

By legal weight is meant the weight of the goods, together with that of their interior packing, such as wrappers, receptacles, cardboard and wooden boxes, tins, etc., inclosed in the outer packing case in which imported.

By net weight is meant the actual weight of the goods without their interior and exterior packing.

When goods dutiable on legal weight are not inclosed in interior packages, but in one outside inclosure only, the intrinsic weight of such goods will be considered as legal weight. In establishing the legal weight no account will be taken of straw or shavings in which the interior packages are stowed or of the weight of the outside inclosure.

By gross weight is meant the weight of the goods with all their outside and inside coverings, without deducting the netting, straw or shavings, hoops, etc., used for packing.

When a package contains different goods dutiable on gross weight the customs shall, conformably to Article 50 of the ordinances, establish the rate in proportion to the legal weight attributed to each kind of goods.

Goods dutiable on gross weight imported without any kind of packing, or packed in a material which is also dutiable, shall pay duty on the total weight of the goods.

When goods imported in ordinary receptacles are dutiable on net weight, on the number, or according to measurement, such packages shall be exempt from import duty.

Should such goods be dutiable according to legal or gross weight, the ordinary packages in which they are imported shall pay the same duty as the goods.

When industrial machinery or apparatus is imported with accessories exceeding in quantity the actual requirements, such accessories being classed in the tariff, the surplus shall be dutiable according to their corresponding numbers in the tariff.

The above are but a few points of the tariff regulations of Mexico which are well to mention.

CREDITS.—The branching out of the mercantile agencies of this country into Mexico has placed the matter of credits well up with the standard requirements as far as manufacturers in this country are concerned, but it is well to bear in mind that European manufacturers have granted and are still granting long credits to merchants in Mexico, varying from 30 days to six months, with interest, of course, but they thus facilitate and at the same time further the development of their trade. There are hundreds of business firm in Mexico who deserve a reasonable amount of credit in their purchases, but very few American manufacturers are willing to extend them credit, and the result is that if the merchants in Mexico must have American goods they have to pay spot cash for them, and will naturally only order such goods as they actually have orders for; but, as a rule, do not carry the goods in stock, and if they do, will be a limited amount, as that means so much of their capital at a standstill without even getting an interest on same, for they cannot very well increase the sale price, and the loss is, of course, on the profit they would have originally made on the goods had they sold them soon after their arrival at their store.

This is one of the main reasons why many merchants in Mexico refrain from placing large orders for goods in this country, as, aside from the amount of goods they may sell soon after they had landed at their store, the rest means so much of their capital tied up, and more so when they have to pay spot cash for the goods.

BANKING FACILITIES.—American manufacturers and merchants doing business with Mexico can today finance their transactions direct through the many banking

institutions established in the Republic. There are still many instances where manufacturers draw their drafts on Mexico through their local banks, which, in turn, have to forward said draft to their New York correspondents, and these, in turn, forward the draft and shipping documents to their Mexican correspondents for collection.

The result is, that if the shipment in question should be such that would require the draft and shipping documents to go by the same ship carrying the goods, the slow process of putting the draft through for its collection in Mexico will cause the goods to be placed in storage at the port of arrival and storage charges assessed on the purchaser. This could be avoided by placing the collections direct with any of the banks in Mexico nearer the place where the purchaser of the goods may be.

Shipping documents, as a rule, cannot be secured from the transportation companies until the day before the sailing of the steamer, and if these documents have to be forwarded to a manufacturer, say, in Chicago for endorsement and making out draft, etc., it is obvious to state the time such documents will be presented to the purchaser for payment.

FREIGHT RATES.—The arrangement of through freight rates from points in the United States to points in Mexico enables American manufacturers to ship their goods to Mexico at very reasonable through rates, although in my opinion, in a number of commodities, such rates could be lower; however, it is hoped that as trade increases steamship companies will realize the necessity of arranging a working agreement with the railroads in this country and Mexico by which lower through rates can be effected.

STEAMSHIP ROUTES.—Unhappily we find that there are comparatively a small number of steamship lines running from ports in the United States to Mexican ports, although the amount of freight leaving this country for Mexico, especially through the port of New York, would warrant a substantial increase in the steamship traffic. It is a fact that quite a large quantity of freight leaves this country by all-rail routes, but even then the lack of more steamers, if not more steamship routes, causes some congestion of freight at the steamship piers, resulting in holding freight over for the following boat, which means one week longer.

GOODS IMPORTED BY MEXICO.—Live animals of several kinds, such as horses, cows, pigs, roosters, etc.; fresh meats, canned meats, fish, etc.; dry meats and fish, fresh fish, wool waste, horse hair, whale oil, animal greases, bone in the rough, scraped and in powder; wool and animal hair, pearls, hides and skins, feathers, eggs, milk, lard, butter, honey, cheese, animal oils, animal charcoal, sponges, stearine, glycerine, guano, cod liver oil, leather goods of all kinds, leather belting, cow's hair belting, patent and other leathers, gloves of all kinds, tanned skins, sole leather, shoes of all kinds, shoe uppers, boots, fans, whale bone goods, ivory and coral goods, human hair goods, sperm, stearine and tallow candles, cotton, twine of all kinds, silk cotton waste, grains and seeds of all kinds, almonds, rice, wheat, coffee, cinnamon, barley, cloves, dry fruits, canned fruits, corn, medicinal roots and seeds, live plants, saffron, rattan, cork, hops, Virginia tobacco, tea, olive oil, ordinary sugar, rock candy, refined sugar, roasted coffee, candy of all kinds, starch, crackers of all kinds and biscuits, flour, molasses, medicinal oils, rosin, balsams, opium, cocoanut oil, linseed oil, cottonseed oil, corn oil, essential oils, turpentine, vegetable charcoal, gum-arabic, copal, tragacanth, tannin, ordinary lumber for building purposes, dye woods, shooks, manufactured goods made of wood of all kinds, barrels, kegs, wooden boxes, furniture of all kinds, rattan and reed furniture and other goods, amber goods, cotton cord and fiber cord of all kinds, bags of all kinds, straw wrappers, brooms, cotton wicks, chewing tobacco, tobacco in powder, cigarettes, cigars, straw braids, gold, silver and platinum, jewelry of all kinds, diamonds and precious stones, gold leaf, silver leaf, brass, white metal in pigs or bars, copper in pigs, copper, brass, etc., in sheets, wire of all kinds, manufactured goods of copper, brass, and white metal, copper, brass and metal cables, plated jewelry of all kinds, bronze powders, tin foil, lead and antimony in pigs and bars, zinc in pigs, manufactured goods of zinc, lead and tin, of all lead and zinc in sheets, steel in bars of all kinds, plows and their parts, iron barrels, iron piping of all kinds, pig iron, iron bars of all kinds, iron and steel sheets, steel springs, posts, cross-pieces, etc., of iron and steel, iron and steel rails of all kinds, fish plates, bolts, nails, etc., for rails, iron and steel beams, joint plates and structural iron of all kinds, wire goods of all kinds, iron and steel goods of all kinds, goods made of tin of all kinds, iron and steel goods enameled, tinned, etc., iron chains, iron stoves for all purposes, aluminum in powder and in bars, antimony, sand, sulphur, lime, hydraulic lime, Portland cement, coal, marble, mineral stone of all kinds, plumbago, mineral oil, tar,

vaseline, earthenware goods of all kinds, tiles of all kinds, bricks of all kinds, pencils of all kinds sand paper of all kinds, slates for schools and other purposes, glassware of all kinds and for all purposes, mirrors, eye glasses, chinaware of all kinds and for all purposes, glass of all kinds and for all purposes, cotton cord of all kinds, cotton yarn of all kinds, cotton lace of all kinds, cotton goods of all kinds and for all purposes, underwear of cotton, silk, linen, etc., cotton and silk hosiery, comfortables of all kinds, neckties of all kinds, corsets of all kinds, handkerchiefs of all kinds, umbrellas, collars, cuffs, shirts, etc., of all kinds, elastic, ready-made clothing of all kinds, linen laces of all kinds, curtains, woolen underwear of all kinds, silk goods of all kinds, acids of all kinds, aromatic waters, alcohol, ammonia, varnish, paints, enamels, etc., of all kinds, drugs and medicinal products and preparations of all kinds, chemical preparations of all kinds, cameras and supplies, writing ink, pens, drawing ink and drawing materials of all kinds, wines and other medicinal preparations, rum, mineral waters, beer, cider, liquors, vinegar, wines of all kinds, paper and cardboard of all kinds and for all purposes, advertisements, lithographs, engravings, etc., of all kinds; books in blank, printed, of all kinds and for all purposes; music in sheets, playing cards, paper bags, envelopes of all kinds, fire extinguishers, duplicating apparatuses, instruments and apparatuses for the sciences, automatic toys, electric light lamps and for incandescent light, machines of all kinds for industrial, agricultural, mining and other purposes; watch movements and watches of all kinds, clocks, cars, trucks, wagons, etc., of all kinds and for all purposes; wheelbarrows of all kinds, carriages and automobiles of all kinds, boats and steamboats of all kinds, steamers, rubber goods of all kinds and for all purposes, firearms of all kinds, cartridges, dynamite, gunpowder, black powder, smokeless powder, mining caps, manufactured goods of all kinds and for all purposes, rubber belting, walking canes, whips, belts, sieves for all purposes, pillows, shades, artificial teeth, dental supplies of all kinds, packing of all kinds, artificial flowers, tools of all kinds and for all purposes, sanitary goods of all kinds, plumbing material of all kinds, soap of all kinds, asbestos, penholders, printing presses and printers' supplies of all kinds, perfumery, hats of all kinds, etc., etc.

GOODS EXPORTED FROM MEXICO.—Minerals, gold, silver, sulphur, antimony, mercury, copper, lead, zinc, asphalt, coal, plumbago, salt and other mineral products; garlic, cotton waste, cotton leaf, rice, coffee, rubber, vegetable charcoal, dry cocoanuts, oil cocoanuts, chewing gum, damiana, essence of aloes, natural flowers, beans, fresh fruits, chick-peas, gums and rosins, guayule, henequen, istle, vegetables, fire wood, woods of all kinds, such as cedar, ebony, mahogany, etc.; corn, palm for hats, dye woods, potatoes, live plants, seeds, vanilla, medicinal herbs, sarsaparilla and other vegetable products; fertilizer, shark wings, live animals, shrimps, fresh meat, salted meat, wax, mother-of-pearl shell, all kinds of shells, horns, sponges, horses, goats, sheep, cows, guano, bones, wool, honey, oysters, animal hair, hides, salted fish, silk waste, oils of several kinds, sugar cane, rum, jewelry, sugar, bottles, paintings, chocolate, drugs, candies, clay goods, photographs, henequen, soap, books, chinaware, maps, building materials, furniture, tanned leather, paints in powder and prepared, felt hats, straw hats, saddles, tobacco, cigars, cigarettes, wines, canned goods of various kinds, etc., etc.

PAPER OF MR. ARTHUR B. BUTMAN, EXPERT ON MARKET FOR BOOTS AND SHOES IN LATIN AMERICA

I accepted the invitation of the Honorable Director General to discuss the boot and shoe trade in Latin America very gladly because of my deep interest in the furtherance of this trade, yet with some hesitancy also, because in my published reports the subject is entered upon in detail.

Consequently I must of necessity repeat many things which are perhaps already familiar to you.

With this preliminary statement I shall venture to suggest certain important features as subjects, with the intention of putting before you such matters as it seems to me must needs be of vital interest to all shoe and leather manufacturers, whether contemplating or already engaged in foreign trade.

I suggest the following subjects for consideration:

1. The extent and character of the home production in various Spanish American countries.
2. The import trade of these countries—its past valuation and present relative position.
3. (a) The demands of the markets; (b) the amount and char-

acter of competition for the trade. 4. How American trade may be extended.

Before taking up the various topics for discussion I think we may rightly mention briefly the importance and remarkable growth of the shoe and leather industries in the United States.

Among the passengers emigrating to America on the "Mayflower" in 1620 is recorded the name of Thomas Beard who brought with him a supply of hides and findings. Thus early was founded the industry of shoemaking in New England. In 1639 the tanning industry, according to systematic, if crude methods, was established in Salem, Mass.; in 1640 at Woburn, and at an early date also in Peabody—towns of the same State.

That the growth of these branches of industry throughout the United States has been a wonderful one is well known to you all.

We may not take time here to consider the development from the days of the pilgrim, Thomas Beard, who doubtless included among the "findings" brought with him on the "Mayflower" a "bench, apron, lapstone and hammer, and thread," and from the tanning vat, comprising a hole in the ground, with its water-tight lining of boards, at Salem, or when, according to early records, leather dressers were granted a place to water their leather at the creek in Boston, to the modern shoemaking machinery, almost human in its operation, and the modern chrome process of tanning.

The American shoemaker is the best housed, the best fed and the best paid of any shoemaker in the world. He is the highest specified, and with the aid of a perfect system of machines of American invention and manufacture he turns out a product which is the standard of excellence for the world.

Mr. Thomas F. Anderson, the able secretary of the New England Shoe and Leather Association, in a recent article made the following statement in reference to the growth of the shoe and leather industries: "Save for the story of the marvelous development of American journalism, there is no industrial narrative that appeals so strongly to the imagination or breathes so much of interest and inspiration." I think many of us will agree with Mr. Anderson.

Now for a few practical figures from the census reports of 1905.

For the shoe industry:

Number of establishments.....	1316.
Capital	\$122,526,093.
Wage-earners	149,924.
Wages	\$69,059,680.
Value of product.....	\$320,107,458.

For the tanning industry:

Number of establishments.....	1049.
Capital	\$242,584,254.
Wage-earners	57,239.
Wages	\$27,049,152.
Value of product.....	\$252,620,986.

That the completed census for 1910 will show substantial increases over these figures is without question. Past comparisons are significant. In 1890 the capital invested in the shoemaking industry was, in round numbers, \$95,200,000; in 1900, \$99,800,000, an increase of 4.8 per cent. during the decade; in 1905, as just stated, \$122,500,000, an increase of 22.7 per cent. during the five-year period.

The value of the product in 1890 was \$220,600,000; in 1900, \$258,900,000, a gain of 17.4 per cent.; in 1905, as stated, the value of the product was \$320,107,458, showing a gain of 23.6 per cent. in five years.

Let me state briefly the growth of our export trade, after which we will take up the various matters for discussion.

In 1890 our exports of boots and shoes, in round numbers, amounted to \$662,900; in 1900, \$4,726,000, and in 1910, \$13,216,000.

Turning to leather, in 1890 our exports of tanned and finished leather amounted to \$12,439,000. From that time the exports have grown to the valuation in 1910 of \$53,512,000.

Since the conditions in one country do not necessarily prevail in another, I would suggest that questions be asked on the various republics in turn.

The Latin American countries are recognized by the manufacturing nations

of the world as potential regions for foreign commerce. The completion of the Panama Canal will create a new era in trade among these republics, whose requirements we have neglected in the past to the detriment of our own and to the furtherance of our European competitors' interests.

There are no insurmountable obstacles to be encountered in dealing with Spanish American trade.

Two facts should be considered. Perhaps, first of all, at least must ever be borne in mind, are that the seller is an Anglo-Saxon, the buyer a Latin, and that, as far as customs, ideas, business methods, etc., are concerned, the two races are nearly opposite.

The old-time Spanish courtesy obtains in business as well as social relations, and the short, curt business letter sometimes sent out by American houses does not always fit the Latin American idea, however much it may be preferred between American business men.

The commercial traveler who undertakes to sell our goods in Spanish America should not only speak Spanish, but should know something of the people, their customs and their social, as well as business ideas.

The fundamental principles of selling goods in the countries south of us are not different from those in our own, but a difference lies in the details of those principles, which, by careful study, may be so arranged as to successfully fulfil all required conditions to the satisfaction of the purchases and the betterment and enlargement of American shoe and leather interests.

PAPER OF MR. FRANK WIBORG, OF AULT & WIBORG, CINCINNATI

The distinguished gentlemen who spoke from the platform yesterday and the day before referred to our American methods and our lack of adaptability in soliciting trade among the Latin people of the South American Republics.

This is all true. It has not been exaggerated.

While the direct straightforward statements practiced by our business men are allowable and often encouraged, especially to despatch business in our country, they seem ungraceful and almost uncouth to the people of an entirely different temperament, and they do not, and cannot from their viewpoint, understand it.

In line with this I should like to quote from a little book I wrote after a trip to South America in 1905.

However casual our view of trade conditions in South America, it is astonishing to our complacent American sense of business supremacy to see how the nations of Europe—Great Britain, France and Germany—have outdistanced us of the United States right on our own western hemisphere. It is clear enough that the European markets got their first footing in South America at a period when all our time and energies were employed in opening up the resources of our own expanding country. But now the question arises, Why in more recent years have we not bestirred ourselves?

It would be foolish to assign as reason for this the manifest and the manifold obstacles which at present stand in the way of our taking a more commanding place in South American trade. Without doubt, if our interest had been truly keen, ways and means for overcoming these obstacles would long ago have been devised, as they have been in other directions where it has seemed desirable for us to push out. No more time would now be lost if the American business world once realized to its full extent the growing commercial importance of South America. Not only would the trade that already exists be more carefully fostered, but means for creating a demand for American goods, where before this there has been no demand, would be searched for and found—similar, perhaps, to the very successful methods followed by our Government in demonstrating at the Paris Exposition the various uses of our great staple, corn. Brazil herself did missionary work of this kind in St. Louis when she taught hundreds and hundreds of visitors the true secret of making coffee.

Any work like this in South America would call for concerted action of some sort and, perhaps, the aid of the Government. To be sure, many private enterprises are at present doing what they can in this direction. The results they obtain, however, are slight and will be until the volume of effort shall somehow be greatly increased.

After speaking thus vaguely of the obstacles that beset our path to South American trade, let me touch upon some of them more definitely. To better our trade relations one of the first things we must do is greatly to improve and increase the present facilities in lines of communication and transportation. We must have our own carrying vessels, for we cannot continue forever to depend upon slow foreign lines if we are to equal, to say nothing of surpassing, the promptness of the European shipper. The steamship lines on the west coast stop, as I have described, like local trains at every tiny port *en route*, and the one fairly good line between Rio de Janeiro and New York compares in no way with the first-class Transatlantic lines. Improved service has been promised us again and again, but what American shippers need more than promises are American ships owned and managed by American capital. Until we have these it will always be a slow and difficult matter for orders from South America to reach us, and equally as slow and difficult for us to fill them.

The progress of American trade in South America has very often been hampered by the class of representatives that we have sent. A smattering of Spanish or Portuguese does not, in any estimation, make up for incapacity as a salesman nor for ignorance of the products in hand. In choice between an indifferent salesman who speaks the language and a good one who does not, I should advise selecting the good salesman; for with an interpreter he could do better work, or at least less harm, than the other man. But neither Spanish nor Portuguese are difficult languages to acquire, and a good salesman should certainly be willing to add to his efficiency by a little hard study. A man starting out with an interpreter and studying in spare moments should in three months' time have a good conversational command of the language. So I would say send good men to South America, even if they can't speak the language, and encourage them to study it as they would anything at home which was distinctly advantageous to their business careers.

The men sent to South America should not expect to use the same business methods that are in vogue here. The American salesman believes that American business methods are the best on earth. So they are—for the American. But the South American is very differently constituted from the American, and many an argument that sells goods in Chicago avails nothing in Rio. For instance, one of the prime requisites of an article in America is that it should be "up-to-date." Now this quality of "up-to-dateness" appeals to the South American buyer very little. To something entirely new he much prefers what he has been accustomed to use. German and English salesmen understand this prejudice, and are ready to humor it rather than spend their time and energy in efforts to change it. Consequently they very often succeed where the American salesman fails.

At the present stage of our business relations with South America the greatest care, and not carelessness, should be taken in the matter of filling orders. The existing prejudice against some American products is directly traceable to this. Then goods should be packed as the South American merchant wishes them, even if it is not the way in which we are accustomed to pack them. And if he prefers them billed in kilos, well and good; let them be billed in kilos, and in whatever language and money he desires. In such things the South American should be treated with every consideration, since he is the buyer and, presumably, the man who meets the charges. All this is thoroughly understood by the European salesman, and should be by us. Lastly, I would suggest that more heads of firms, business men of standing in their various lines, visit South America and see conditions for themselves. This would be not only advantageous to them in conducting the South American branches of their business, but, what is of greater and general importance, would prove to the South American merchants better than anything else could prove, that American merchants really are interested in South American trade to the very considerable extent of looking into it personally. The prevailing feeling in South America is that we care very little for South America or South American trade. Europe, on the other hand, protests vehemently that she cares much, and by her activity she proves what she says. Time and again I was told by the merchants and business men whom I called on that I was the first head of a firm in my particular business who had ever made them a personal visit. Whether this was accurately true or not matters little. It is enough that it shows conclusively the impression among South Americans that American heads of firms are prone to look upon South America as a negligible quantity.

But South America is not a negligible quantity by any means. Now, as never before, is the time to realize this, and while the United States is severing the con-

necting tie of land between the two Americas, American business men should be strengthening those other and closer ties of commerce and trade:

Now, what's to be done about it?

It's true, we have made progress in some, if not many ways the last few years. The personal relations between the South American buyer and the North American seller seem to be improving, because we know each other better, and will continue to improve, but *what about the direct steamship lines to facilitate transportation of our goods, and the better banking facilities to enable us to make collections, etc.*

When, oh, when are we to have these? Mr. Barrett cannot do it. We cannot do it, but *we can keep everlastingly talking about it*, until the Congress of the United States, perhaps the next Congress, comes to a realizing sense of its importance and passes the necessary legislation. That will be a happy day for all interested in improved South American Commercial relations.

PAPER OF MR. CLIFFORD S. WALTON, CONSUL GENERAL OF PARAGUAY

It gives me much pleasure to have an opportunity to say a few words about Paraguay.

Possessed of an equable and salubrious climate where operations may be carried on the year round, this virgin country offers many inducements to nearly all lines of manufacturers, to agriculturists, stock raisers, miners and timber merchants.

Cheap and easy methods of transportation are furnished by the Paraná River and its tributaries, which traverse the country, and its lines of railway are being changed to broad gauge and developed to complete a chain of overland communication with Argentina, Bolivia and Chile.

Formerly Montevideo and Buenos Aires had the monopoly of Paraguay's trade, but now the latter Republic has direct commercial relations with Europe and North America.

The annual exports of Paraguay are about as follows:

(a.) Products of the cattle industry: Hides, 310,000; skins, 25,000; jerked beef 3,000,000 kilos; fat, 700,000 kilos; hair, 125,000; bones, 1,250,000 kilos; horns, 510,000; grease, 80,000 kilos, etc., valued at \$2,100,000 in gold.

(b.) Forest products: Hard and sawed wood, 2,100,000 meters; oranges, 110,000,000; cedar, 400,000 logs; palms, 21,000; poles, 200,000; blocks of quebracho, 725,000; medicinal leaves, 25,000 kilos; 600,000 bundles of sticks; 22,000 meters of boards; 300,000 kilos of durupay bark; cocoanut beans, 150,000 kilos, etc., valued at \$1,525,000 in gold.

(c.) Distillation and plant industries: Yerba mate, 8,100,000 kilos; extract of quebracho, 5,100,000 kilos; orange essence, 30,000 kilos; rum, 12,000 liters; charcoal, 100,000 kilos; cocoanut and peanut forage, 200,000 kilos, etc., valued at \$2,050,000 in gold.

(d.) Agricultural products: Tobacco, 3,500,000 kilos; bananas, 7,000 bunches; mates, 120,000; plants, 10,000. Valued at \$1,000,000 in gold.

Imports. The following are the principal articles which Paraguay receives from abroad: Fabrics, hardware, drugs, dry-goods, foodstuffs, hats, arms, ready-made clothes, beverages, leather and furs, earthenware, porcelain, glass, perfumery, lamps, bric-a-brac, books, stationery, musical instruments, jewels, watches, saddlery, footwear, etc., valued at about \$5,000,000 in gold.

The articles imported free of duty were valued at 400,000 pesos yearly. The following articles are also included in the free list, subject to changes from time to time: Agricultural machinery, apparatus and implements, seeds, coal, iron bars, printed matter, books, typographical articles, scientific instruments, articles for worship, rosins, soda, etc., etc.

The imported merchandise proceeded from the following countries: England, 35 per cent., followed by Germany, the Argentine Republic, France, Italy, Spain, United States of North America, Belgium, Brazil, Uruguay, and many other countries on a smaller scale.

The constitution, which has been in force since the 25th of November, 1870, grants all the inhabitants of Paraguay, both native and foreigners, the fullest in-

dividual rights, electoral, industrial, professional and commercial liberty, freedom of speech, of the press, of association, worship, protection of life and properties, as well as of domicile, and the right of defense in court, inviolability of the mails, private papers, etc..

The constitution of Paraguay has been drafted in accordance with the most advanced ideas of progress and enlightenment of man in a free country

As a whole the climate of Paraguay is dry and warm, without the epidemics that prevail in Brazil, Africa and India. The meteorological observations during many years indicate an average annual temperature of 24 degrees centigrade; in summer 30 degrees, and in winter, 15; the maximum temperature during the day-time occurs from 2 to 3 o'clock, P. M., and the minimum two hours before sunrise.

There is quite a difference between the two principal seasons of the year. The hottest months are December, January and February, while the coldest are June, July and August.

The annual average is 79 rainy, 72 cloudy and 214 clear days.

In tropical countries the rain is influenced by the movement of the sun. When the latter is north of the equator, the rainy season prevails at the Northern tropical zone, and when the sun passes to the south of the equinoctial line, heavy rains fall in the Southern tropical zone.

From a hygienic point of view, Paraguay has become the sanitarium of Rio de la Plata, in the American Nice, because of its excellent sanitary conditions, especially from March to November, and thousands of families from the Argentine Republic and Uruguay go there every year for their health.

There are no malignant endemic diseases in Paraguay, and epidemical diseases are even more rare than in Europe. A greater longevity and a low proportion of mortality confirm the above statement. Azara and other writers have mentioned real cases of exceptional longevity in Paraguay. The disease of the lungs and the respiratory organs are greatly relieved in Paraguay. Cases of sunstroke are very rare. The proportion of births and deaths is 10 to 6. The sanitary and health conditions of the climate of Paraguay are explained by the excellent ventilation of the territory, which is covered by virgin forests, crossed by great rivers, with mountains to the northeast, being open on the south and thus having a permanent evaporation.

The southwest winds have lost a great deal of their violence in Paraguay, producing a beneficial effect without the ravages which they generally cause at Rio de la Plata.

The greater number of deaths are caused by gastric diseases, infantile tetanus, traumatism, cerebro-spinal fevers, pneumonia and enteritis.

The relatively small population, the low prices at which lands can be bought, the fertility of the latter, the great demand for laborers for agricultural, industrial and pastoral work, the healthful climate, the guarantee of life and property by the laws and courts of the Republic, the freedom to contract and work, the moderate taxes, easy fluvial and land means of communication, both with the interior of the country and with foreign nations, render it possible for the Republic of Paraguay to offer greater advantages to immigrants and colonists than other countries.

The special products of Paraguay find a permanent market in Rio de la Plata, where there are no similar products and where they can be economically transported.

It is gratifying to find that many persons in this country are taking a live interest in far-away Paraguay, which seems to have been neglected up to the present time. I feel that if such persons will continue their investigations, they will find here in the center of South America great opportunities for the investment of capital which should bring in splendid returns, and I am sure if they could visit this country and make personal investigations for themselves, they would become enthusiastic over the advantages offered them by a virgin country, rich in resources, and the reception which the citizens of the country offer to them.

PAPER OF MR. JOSEPH DARLING, LATIN AMERICAN EXPERT

First of all, I must thank the Director General for extending to me the privilege of addressing you on a subject very dear to my heart. The task is not an easy one, as the difficulty of obtaining accurate information as to the best modes and routes of travel to the commercial centers throughout the Central and South Ameri-

can countries has been one of the reasons why American merchants, referring particularly to those of the United States, have hesitated in arranging to send their representatives to this fertile field of trade.

It is erroneously supposed that the expense incident to such a trip would be greater than that of a similar trip conducted throughout the United States. My experience has extended over a period of ten years, making during that time more than twenty-five trips throughout ten of the Central and South American Republics, principally in the interests of oil, bananas and rubber and railroad construction.

*I have estimated that the sum of from \$5 to \$7 per day will be sufficient for all ordinary expenses, including railroad and steamship fare, but it is supposed that the traveler will carry little luggage and will avoid being overcharged. Of course a knowledge of the language spoken in these countries will help in keeping down expenses. Sample trunks taken on a prolonged trip throughout the Latin American Republics should not weigh more than 125 pounds, and it is recommended that not more than 100 pounds be carried on excursions taken into the interior by the aid of mules, donkeys or llamas.

The best season of the year to visit the west coast of South America is during our spring and summer months, for it is then warm during the day and cool at night. It may be generally stated that the seacoast sections of the countries near the Equator are generally unhealthful, but the interior cities, as a rule, present the most favorable climatic conditions. Travelers who contemplate entering the higher latitudes should take the precaution to be well supplied with heavy clothing, and should be prepared to suffer from soroche, the mountain sickness, when they pass a height of eight thousand feet. The incidental unpleasantness of this sickness disappears within a few days.

As a general statement, it can be said that sanitary conditions are good in the larger cities, but in some of the smaller ones much improvement could be effected along these lines. The food is well cooked and very palatable.

The native merchants of these countries are always polite and their courtesy to the foreigner is proverbial. Such consideration for the stranger is found, not only among the higher and more cultivated, but also in the people of the poorer classes. We hear a great deal through the newspapers of the revolution or internal strife that occasionally takes place, but I wish to state that these people are, as a rule, peaceful, and the traveler should have no fear of being molested as long as he goes about his own business and does not involve himself in local political antagonisms.

There has been considerable improvement in the steamship service to these countries from the United States, and excepting the service along the east coast of Central America, we are still a long ways behind our European competitors in this matter. A steamer or sailing ship flying the flag of the United States is a very rare sight to be found in the far south, and it is to be regretted that we have not any better communication direct with South America or the west coast of Central America.

The present period offers more opportunities than ever before to our merchants for the development and encouragement of trade relations. Merchants and manufacturers have been slow to arrive at a proper appreciation of this rich field for the introduction of their goods, and it is only recently that they are beginning to understand the value and importance of these markets. Naturally, the merchant of Latin America will trade with those countries which offer him the most favorable terms and the best articles. The European merchant has some advantages in dealing with these Latin American Republics because of superior transportation facilities. Again, the high freight rates charged by the Panama Railroad Company have been a serious obstacle confronting American exporters, and I have been informed that certain lines operating out of New York have combined to keep up freight rates to the west coast of South and Central America via the Panama Canal.

Owing to our favorable geographical position, and other circumstances, we do a larger business with Mexico, Cuba and Porto Rico, but we also enjoy the advantage of geographical situation as compared with Europe, so there is every reason why the merchants of the United States should compete successfully with the European for the Latin American market.

It is the general idea with our manufacturers that difficulties are to be met with in obtaining payments for goods sent into Central and South America, but this is incorrect, as the firms of high standing in these countries are as honorable in

*This should be doubled if one goes first-class.—ED.

settling their commercial obligations as their brothers of the United States. It is unfortunate for us all that reliable foreign reports of the commercial standing of merchants are harder, more expensive and sometimes impossible to obtain than those of the United States. It should be remembered that it is the custom with European houses dealing in Central and South America to extend longer terms of credit than would seem necessary to an American, but the reason for this is that deferred payments draw interest at an average of five per cent. per annum, which is higher than the usual rate obtained for money abroad. Business of this character will be greatly facilitated when the proposed Pan American Bank is established, with its branches and correspondents situated in the principal cities of Central and South America; this is of the greatest importance to us all, as at present sterling exchange is used exclusively by nearly all of the merchants of these countries.

The usual method of arranging for goods shipped to Latin America is that of making a draft in duplicate, with a bill of lading, freight bill and consular documents attached, and negotiating this bill through some banking institution.

In conclusion, it can be said that these countries present great opportunities for the introduction of all kinds of American (United States) goods, and prices obtained therein will provide sufficient profit to fully compensate for the extra expense incidental to complying with the extraordinary conditions in their local markets, and I wish to impress upon your minds, gentlemen, who are interested in this work, to study the methods of shipping and packing merchandise as practiced by our rivals across the sea.

I heartily endorse the work of the Pan American Union so ably managed by its Director General, and I can thank him for the courtesies and co-operation extended to me during my various trips as a commercial man throughout those beautiful southern Republics.

Thanking you for your attention.

PAPER ON THE REPUBLIC OF SALVADOR, BY DOCTOR ALBERT HALE, PAN AMERICAN UNION STAFF

The Republic of Salvador has the unique distinction of being not only the smallest independent nation in the western hemisphere, but also the most densely populated, as its area of 7225 square miles is occupied by 1,707,000 inhabitants, practically eight times the density of the population of the United States. It is, therefore, well worth while to call the attention of such a large and representative gathering as the Pan American Commercial Conference to the opportunities presented in this delightful little Republic.

The very fact of such an extensive population indicates that their wants must be proportionately large, and the added fact that the people are active and energetic, producing with admirable industry from the fertile country in which they live, indicates that their consuming power must be considerable. Their wants are fully up to the grade of those of any highly advanced people, and as they become more closely in touch with the rest of the producing and consuming world, they will sell and buy more.

One reason why Salvador has hitherto escaped to some extent the notice to which the country is entitled has been its apparent isolation and inaccessibility. Lying the farthest away, as far as means of approach are concerned from the United States, with lines of commercial travel limited to the Pacific Ocean, the Republic has been shut off from all traffic except that which came southward by steamers from San Francisco, or northward by steamer from Panama or even from Europe around the Horn.

This remoteness has, however, been overcome within the last two years. Since the completion of the Tehuantepec Railway, and the consequent improvement in transportation through Mexico, the distance between San Salvador, the capital of the Republic, and Washington, which means, of course, all the United States, has been remarkably shortened. It is now possible, by using the express service to the City of Mexico, then that to Salina Cruz at the Pacific end of the Tehuantepec Railway, and then the fast steamers supported in part by the Salvador Government, from Salina Cruz to Acajutla, the chief port of entry in the Republic, to make the trip, or to send letters or even merchandise, from Washington to San Salvador in the short space of eight days, whereas before this arrangement was made 22 days or more was the least time necessary for the same distance. But this by no means

indicates all of the possibilities of rapid transit. Salvador is ambitiously expanding the system of interior railways. At present 100 miles covers about all of the lines in operation. But there is building a railway from the eastern port of La Union to San Miguel, a flourishing interior city of the Republic; this will soon be extended across the country to the frontier of Guatemala, and from this frontier easy connection can be made with that railway, which has recently placed the city of Guatemala within 12 hours of the east coast. These improvements, when completed, will shorten still more the trip from the United States, and will bring all this little Republic within a week's travel of the centers of business in America.

The products of Salvador are those in constant demand by the United States; coffee, balsam, indigo, sugar, tobacco, hides and rubber, as well as gold and silver, are exported. As imports, cotton in manufactured forms, flour, hardware and all kinds of clothing and machinery are staples. There is excellent opportunity for an exchange of commodities, and all that is needed is a closer acquaintance on both sides to bring the two Republics into quicker and more cordial intimacy.

These are the simple and promising conditions as they exist today, and I can assure you, gentlemen, that Salvador offers a surprisingly open field for those who study it. My personal experiences in the Republic, which I have crossed from end to end, make me confident in the assertion that the country and the people will welcome every effort made for them to enter into larger trade relations with you who represent the ambitious factors of commercial America.

PAPER OF MR. GUILLERMO MONCADA, CONSUL-GENERAL OF HONDURAS IN NEW YORK

The Republic of Honduras is situated between 13° and 16° 10' north latitude and 83° 15' and 89° 30' west of the meridian of Greenwich, with an area of 45,000 square miles. Located in the middle of Central America, its territory bounds with the Caribbean Sea to the north, Nicaragua and the Pacific Ocean to the south, and Salvador and Guatemala to the west. Its coast line on the Caribbean extends over 600 kilometers, with many bays and inlets. The Pacific coast measures over 85 kilometers, forming the Gulf of Fonseca, which is one of the best bays in America on the Pacific. The population of the country is estimated at 600,000 inhabitants, and after the result of the census taken on November 18, 1909, is known, an increase will probably be shown.

The general topography of the country is mountainous, presenting at the same time extensive valleys and highlands, crossed by many rivers, some of which are navigable. The climate is splendid. In the highlands it varies between 5° and 15° centigrade, and in the valleys and coasts it never goes any higher than 30° centigrade. The temperature is generally mild, and never too cold nor too hot.

The great fertility of the lands, due to the richness of the soil and to the abundance of water, renders any cultivation profitable. The principal products are bananas, coffee, cacao, cocoanuts, corn, beans, oranges, rice and all tropical fruits.

The mineral wealth of Honduras places the Republic among one of the first countries of America, and although most of it is as yet unexploited, the present output shows that, when mining shall have been developed, it will be one of the principal industries of the country. In the rivers and ravines gold dust is found in large quantities, but the methods used in its extraction are primitive, in spite of which fact, the production has been great, yielding big profits to miners. Gold and silver, being the most valuable metals, are preferred over others, and are widely searched for, the former being abundant in the mountain region of the country. There are also vast deposits of copper and iron, which, on account of the lack of transportation facilities, remain unexploited. Copper ore yields as a rule from 50 to 60 per cent., and iron ore is found which produces 90 per cent., as is the case with that from the mines of Agalteca and San Martin, situate in the Departments of Tegucigalpa and Choluteca, respectively, where the ore is found on the surface throughout several square miles. There are also deposits of bismuth, antimony, platinum, manganese, etc., etc., which have not as yet attracted any attention. Precious stones are also abundant in the Republic. The opal mines recently discovered are producing magnificent stones. Great deposits of coal have recently been discovered, which will be a new source of wealth.

Agriculture is in a very flourishing condition in the northern section of the country, where the banana is cultivated with excellent results. In this connection it is worth

mentioning that the output of bananas per acre in Honduras is greater than in any other country. The proximity of the northern coast to the United States—the distance from La Ceiba, Puerto Cortes and Trujillo to New Orleans and Mobile being only 930 miles—facilitates the shipment of all sorts of merchandise. It should be pointed out that the bays and wharfs of those ports afford ample protection to vessels and are equipped with all necessary elements for the loading and unloading of cargo. The bays of the northern coast of Honduras are considered among the best and safest on the Gulf of Mexico and the Caribbean Sea.

In Honduras one of uppermost aims of all the administrations has been to protect the industries by means of adequate laws, the provisions of which have been as favorable as possible to the persons therein engaged. The acquisition of all kinds of property is extremely easy, and the disposal thereof is absolutely free from restrictions. Mining properties may be secured by the mere filing of claims with the departmental and sectional courts, provided each claim does not exceed a certain number of hectares. In order to protect and promote the working of mines on a large scale, mining zones have been established, where one can secure the exclusive privilege of exploitation of a tract of land after having obtained a concession from the Government and by paying a small annual tax. The maximum allowed to each person is 1000 hectares. The Government also grants agricultural lands exempt from taxes, and after the parcel thus granted has been duly cultivated it is definitely deeded to the concessionaire. All machinery and utensils used in any kind of industry are exempt from customs and other taxes.

The import and export trade of the Republic during 1909-10 was as follows, in Honduran currency (1 peso = \$0.42 American gold): Exports, 6,429,700.17 pesos, and imports 4,313,452.00 pesos, showing a considerable increase over previous years, notwithstanding the political condition through which the country has passed. The greater part of the trade is carried on with the United States, which supply 65 per cent. of the imports and buy 80 per cent. of the exports.

During the last year negotiations were carried on with good success for the conversion of the public debt of Honduras, and the arrangement between the Government and American capitalists is almost concluded. The money derived from this loan will be used not only in the payment of the foreign and internal debts, but also in the construction of railroads. When this agreement shall have been approved the country will enter upon an era of stable peace and prosperity, and it will throw its doors open to foreign capital and immigration; these two factors and the opening of new means of communication will make the country an emporium of wealth and welfare.

It may be affirmed that Honduras is completely unexploited, and that its virgin lands, adequate for any cultivation, well provided with water and extremely fertile, offer great advantages to the investment of capital and a wide field to immigration.

The people of Honduras are hospitable and generous, honest and temperate. The cost of living is extremely low, due principally to the richness of the soil and the simplicity of habits. The foreigner is always received with cordiality, and given all sorts of facilities and assistance, so that he may undertake any business. The law accords him the same privileges that it does to Hondureans, and there is no restriction that would prevent him from acquiring or disposing of property. The country offers a wide field to the investment of capital, and gives the immigrant every facility and protection in order to insure him success in his business.

Its delightful climate, its absolute health and the facilities that both the Government and the people give to foreigners make of Honduras a land of promise for all those who may desire to reach its hospitable shores.

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Conference edited by Captain Granville Fortescue,
Pan American Union Staff.*

**COMMERCIAL ORGANIZATIONS, FIRMS, MANUFACTURERS,
MERCHANTS AND TRADE BODIES REPRESENTED AT
THE PAN AMERICAN COMMERCIAL CONFERENCE,
WITH NAMES OF DELEGATES**

The Abbott Alkaloidal Co.,	Chicago, Ill.,	W. T. Thackeray.
Abenroth Bros.,	Port Chester, N. Y.,	
Adt, J. B.,	Baltimore, Md.,	
Aeolian Co.,	New York City,	S. B. Schaad.
Agar, Cross & Co.,	New York City,	Frank A. Gundlad.
Allen Am. Manganese Steel Co., Edgar,	Chicago, Ill.,	R. S. Bishop, Wash., D. C.
Allis-Chalmers Co., The,	Milwaukee, Wis.,	J. F. Dixon, New York City.
Alta Export Co., The,	New York City,	H. W. Rowley.
Ames Iron Works,	New York City,	Alejandro W. Rojas.
America Co., The,	New York City,	Thomas Leonard.
American Academy of Political and Social Science,	New York City,	George C. Vedder.
American Academy of Political and Social Science,	Philadelphia, Pa.,	Alex. L. W. Begg.
American Axe & Tool Co.,	New York City,	Dr. L. S. Rowe.
American Bankers' Assn.,	New York City,	Robert Mann.
American Blower Co.,	New York City,	M. E. E. Ailes, Wash., D. C.
American Blower Co.,	Philadelphia, Pa.,	C. B. Bidford.
American Car & Foundry Co.	New York City,	F. E. Bloss.
American Carpet & Upholstery Journal,	Philadelphia, Pa.,	
American Copper & Brass Works,	Cincinnati, Ohio,	C. F. Ellehorst.
American Cotton Mfg. Assn.,	Charlotte, N. C.,	W. E. Hooper.
American Cotton Oil Co.,	New York City,	Jas. R. Watson, Wash., D. C.
American Crayon Co.,	Sandusky, Ohio,	George E. Parmenter,
		Waltham, Mass.
"American Exporter,"	New York City,	Franklin Johnston.
American Fork & Hoe Co.,	New York City,	W. H. Cowdery,
		Cleveland, Ohio.
American Fork & Hoe Co.,	Cleveland, Ohio,	Charles H. Russell,
		Plainfield, N. J.
American Fork & Hoe Co.,	New York City,	C. H. Russell.
"American Group, The,"	New York City,	F. H. McKnight.
American Hardware Corp.,	New Britain, Conn.	
American Iron & Steel Institute,	New York City,	James A. Farrell.
American Laundry Machine Co., The,	Cincinnati, Ohio,	Leonard S. Smith.
American Lithographic Co.,	New York City,	W. A. Warner.
American Mfrs. Export Assn.,	New York City,	Henry T. Willis.
		C. F. Edgarton.
		Elmer H. Allen.
		Harry L. Gemberling.
		George L. McCarthy.
American Meat Packers' Assn.,	New York City,	
American Paper & Pulp Assn.,	New York City,	Louis Chable.
American Seating Co.,	Ridgewood, N. J.,	T. G. Barber, New York City.
American Steam Pump Wks.,	Battle Creek, Mich.,	Geo. J. Lowe, New York City.
American Sterilizer Co.,	Erie, Pa.,	J. E. Hall.
American Trading Co.,	New York City,	Thomas A. Eddy.
American Vanadium Co.,	Pittsburg, Pa.,	James J. Hannecy.
Anheuser-Busch Brew. Assn.,	St. Louis, Mo.,	Allen C. Orrick.
Archibald, James F. J.,	New York City,	
Arkell & Douglass, Inc.,	New York City,	

Arlington Chemical Works, Armas, Aurelio de, Appleton & Co., D. A., Assn. of Commerce,	Yonkers, N. Y., Havana, Cuba, New York City, Chicago, Ill.,	F. W. R. Eschmann. E. W. Fielder. G. K. Sage. Louis S. Curt. F. C. Enright. Geo. J. Lowe, <u>New York City</u> . Harry T. Atkins. George S. Lenhart.
Atkins & Co., E. C., Inc., Atkins Pease Mfg. Co., Atlantic City Publicity Bur., Auburn Wagon Co., Austin, Nichols & Co., Avery Co.,	Indianapolis, Ind., Cincinnati, Ohio, Atlantic City, N. J., Martinsburg, W. Va., New York City, Peoria, Ill.,	C. F. Sullivan. Frank A. Gundlad. S. W. Eckman.
Babbitt, Inc., B. T., Baker, B. N., Baldwin, W. Bolles, Baldwin Co., The, Ballard & Ballard Co., Baltimore Bridge Co., Bankers, Jobbers & Mfrs. Assn.,	New York City, Baltimore, Md., New York City, Cincinnati, Ohio, Louisville, Ky., Baltimore, Md., Houston, Tex.,	A. P. Hagemeyer. E. B. Coffey. Harry D. Bush. Tom M. Flaxman.
Bankers' Magazine, Bankers Publishing Co., Barber Asphalt Paving Co., Barber & Co., Inc., Barbosa, J. E., Bates & Co., A. J., Bay State Tap & Die Co., Beaver Co., The, Bedford Mills, Becker Milling Machine Co., Bennett Typewriter Co., Berg, G. A., Berger Mfg. Co., Berndt & Co., Berry Bros., Bethlehem Steel Co., Binghamton Whip Co., Birch, J. H., Bissell Carpet Sweeper Co., Bliss & Co., A. H., Blood & Co., John, Blymyer Iron Works, The, Board of Commerce,	New York City, New York City, Philadelphia, Pa., New York City, New York City, New York City, Mansfield, Mass., Buffalo, N. Y., New York City, Hyde Park, Mass., New York City, Worcester, Mass., Canton, Ohio, Baltimore, Md., Detroit, Mich., Bethlehem, Pa., Binghamton, N. Y., Burlington, N. J., New York City, No. Attleboror, Mass., Philadelphia, Pa., Cincinnati, Ohio, Detroit, Mich.,	Elmer H. Youngman. Elmer H. Youngman. Louis D. Ricci. James Barber. E. A. Bates. L. A. Lincoln. W. F. MacGlashan. Otto Kafka. William L. Dench. George D. Glass. J. E. E. Berndt. H. P. Stephenson. Archibald Johnston. L. Woodruff. J. H. Birch, Jr.
Board of Trade, Board of Trade,	Little Rock, Ark., Washington, D. C.,	Robert C. Blood. Richard Bahman. Milton A. McRae. James L. Lee. E. L. Givens. John Joy Edson. J. M. Hodges. D. S. Porter. William H. Saunders. Charles H. Brown. Abe Maas. E. M. Hendry. C. M. Morehouse. A. Nistal. G. A. Petteway. H. E. Snow. Hon. S. M. Sparkman. E. J. Stachelberg. T. C. Taliaferro. James W. Porch. George F. Booth. John W. Harrington. Herman Schernee. Charles T. Tatman, Pres.
Board of Trade,	Tampa, Fla.,	
Board of Trade, Board of Trade,	New Orleans, La., Worcester, Mass.,	

Board of Trade, Board of Trade of Hoboken, Board of Trade, Brazilian Trade Corporation, The, Brazilian Consul, Bridgeport Coal & Wood Co.,	Fitchburg, Mass., Hoboken, N. J., Newark, N. J., New York City, Philadelphia, Pa., Bridgeport, Conn.,	Charles F. Wilson. E. H. Horgood. James N. Riles. John A. Henneberry. N. B. Kelly. E. G. Alemathy. John S. Boate. Alfred N. Hargrove. Henry P. Bristol. John K. Broderick.
Brill & Co., J. G., Bristol-Myers Co., Broderick & Bascom Rope Co., Brown, Frederick, Browne & Co., Brown Co., The A. & F., Buffalo Forge Co., Buffalo Steam Pump Co., Burroughs Adding Machine Co.,	Philadelphia, Pa., Brooklyn, N. Y., St. Louis, Mo., New York City, New York City, New York City, Buffalo, N. Y., Buffalo, N. Y., Detroit, Mich.,	 Louis L. Browne. R. J. Easton. H. C. Rice. H. C. Rice. E. S. Newman. John A. Olt. H. E. Watkins.
Bush & Gerts Piano Mfg. Co., Business League, Business Men's Assn.,	Chicago, Ill., Houston, Tex., Norfolk, Va.,	 J. S. Cullinan. Homer C. Sherritt. Harry K. Walcott. Harry T. Atkins. Leonard S. Smith. Edward A. Faust.
Business Men's Club, Business Men's Club Co., Business Men's League, Butler Co., The, Butman, Arthur B.,	Cincinnati, Ohio, Cincinnati, Ohio, St. Louis, Mo., Butler, Ind., Boston, Mass.,	
Cal. Development Board,	San Francisco, Cal.,	Hon. Julius Kahn. Hon. George C. Perkins. Hon. James McLachlan. W. Frowenfeld.
California Wine Assn., Campbell, Hon. P. P., Canton Stamping & Enamel- ing Co., Carbonating Co. of Amer., Carne, Wm. F., Central Iron & Steel Co., Central Railroad of Haiti, Central & S. Amer. Tel. Co., Century Syndicate, The, Chalmers Motor Co.,	San Francisco, Cal., 3d Cong. Dist. Kans., Canton, Ohio, New York City, New York City, Harrisburg, Pa., New York City, New York City, New York City, Detroit, Mich.,	 Charles A. Dougherty. John A. Stewart. Philip W. Henry. J. Langdon Erving. Atherton Brownell. A. W. Barber. C. C. Hildebrand.
Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce,	Eureka, Cal., Oakland, Cal., Sacramento, Cal., San Francisco, Cal., San Jose, Cal., Denver, Colo., Dist. of Columbia,	Hon. George C. Pardee. Hon. D. E. McKinlay. William M. Bunker. Hon. E. A. Hayes. J. F. Callbreath, Jr. J. H. Cranford. A. Listner. Hon. H. B. F. McFarland. H. B. Polkinhorn. A. D. Prince. G. F. Schutt. William E. Shannon. A. Leftwich Sinclair. Joseph Strasburger. George W. White. Joseph F. Gray. George McK. McClellan. C. F. Perry.
Chamber of Commerce, Chamber of Commerce, Chamber of Commerce,	Savannah, Ga., Honolulu, H. I., Quincy, Ill.,	

Chamber of Commerce, Chamber of Commerce, Chamber of Commerce,	New Orleans, La., Baltimore, Md., Boston, Mass.,	George Somerville Jackson. Lewis I. Prouty. Oscar S. Bauer.
Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce,	So. Bend, Ind., Binghamton, N. Y., Newburgh, N. Y., New York City, Rochester, N. Y., Syracuse, N. Y.,	H. D. C. Van Asmus. L. Woodruff. Frederick K. Gifford. Sereno S. Pratt.
Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce,	Utica, N. Y., Cleveland, Ohio, Dayton, Ohio, Youngstown, Ohio, Portland, Ore., Pittsburg, Pa.,	W. A. LeBrun. William Allen Dyer. C. P. Remore. J. Soley Cole. Walter H. Cottingham. Walter B. Moore. J. G. Butler.
Chamber of Commerce, Chamber of Commerce, Chamber of Commerce, Chamber of Commerce,	Philadelphia, Pa., Charleston, S. C., Galveston, Tex., San Antonio, Tex.,	L. S. Dow. Pierce C. Williams. N. B. Kelly. A. W. McKeand. H. H. Haines. John B. Carrington. Col. Ike T. Proyer. Hon. James L. Slayden. W. L. Shafer. H. P. Stratton. A. B. Sommers.
Chamber of Commerce, Chamber of Commerce, Chamber of Commerce and Board of Trade, Chamberlain Medicine Co., Chas. L. Chandler (Vice U. S. Consul General), Chandler & Price Co., Chase & Baker Co., Chattanooga Furniture Co., Chesapeake & Ohio Coal & Coke Co., Cheesman & Elliott, Chesebrough Mfg. Co., Chicago Assn. of Mfrs., Chicago Railway Equip. Co., Chronicle Co., Ltd., The, Cincinnati Lathe & Tool Co., Claflin Co., H. B., Clark Bros. & Co., Clark, Hon. Champ, Clark, J. D., Co., Clark, W. A. Graham, Clayton, Hon. Henry D., Cleveland Varnish Co., Clyde S. S. Co., Coe, James A., Collier's, Collins, Darrah & Co., Colmary & Co., A. H., Colonial Works, Columbia Phonograph Co.,	Roanoke, Va., Petersburg, Va., Tacoma, Wash., Des Moines, Iowa, Buenos Aires, S. A., Cleveland, Ohio, Buffalo, N. Y., Chattanooga, Tenn., Washington, D. C., New York City, New York City, Chicago, Ill., Chicago, Ill., New York City, Cincinnati, Ohio, New York City, Belmont, N. Y., Washington, D. C., Rochdale, Mass., Washington, D. C., Washington, D. C., Cleveland, Ohio, New York City, Newark, N. J., New York City, Nebraska, Pa., Baltimore, Md., Brooklyn, N. Y., New York City,	Will A. Peairs. Mr. Lewis. Capt. H. F. Temple. Charles M. Barnett. Frank P. Cheesman. Thomas J. Dobbins. Benjamin F. Pilson. William B. Case. Jose M. Menendez. W. P. Clark. Arthur C. Comins. Frank B. Conger. Edward F. Clements. V. Consul of Paraguay. Arthur Ruhl. Frank X. Kreitler. A. H. Colmary. E. H. Pottle. Edward N. Burns. William Easton.
Columbia River Loggers' Assn., Columbia Trading Co. of New York, Columbian Iron Works, Columbus Piano Co., The,	Portland, Ore., New York City, Chattanooga, Tenn., Columbus, Ohio,	Russell Hawkins. A. Puerto. Kennith W. Curtis.

Comas Cigarette Machine Co.,	Salem, Va.,	Dr. F. V. N. Painter.
Comins & Co., Inc.,	Rochdale, Mass.,	Arthur C. Comins.
Cincinnati Commer. Assn.,	Cincinnati, Ohio,	A. P. Hagemeyer.
Commercial Club,	Fort Smith, Ark.,	C. L. Coffin.
Commercial Club,	Joliet, Ill.,	H. G. Spaulding.
Commercial Club of Madison,	Madison, Ind.,	E. D. Bedwell.
Commercial Club of Fort Wayne,	Fort Wayne, Ind.,	W. O. Hodgdon.
Commercial Club of Duluth,	Duluth, Minn.,	Marcus R. Sulzer.
Commercial Club,	Minneapolis, Minn.,	G. M. Leslie.
Commercial Club,	St. Joseph, Mo.,	T. F. Thieme.
Commercial Club,	Kansas City, Mo.,	Hon. C. B. Miller.
Commercial Club,	Lincoln, Neb.,	N. W. Jermane.
Commercial Club,	Minot, N. D.,	Hon. Charles F. Booher.
Commercial Club,	Portland, Ore.,	Francis B. Purdie.
Commercial Club,	Providence, R. I.,	Hon. William P. Borland.
Commercial League,	Fort Smith, Ark.,	James W. S. Peters.
Commercial Museum,	Philadelphia, Pa.,	Hon. John A. Maguire.
Commission for Economic Expansion of Brazil,	New York City,	Dr. J. W. Newlove.
Commonwealth Storage & Supply Co., The,	Melbourne, Australia,	C. C. Chapman.
Conn & Co., C. G.,	Elkhart, Ind.,	Henry G. Thresher.
Conrad, William R.,	Burlington, N. J.,	E. D. Bedwell.
Cortland Carriage Co.,	Cortland, N. Y.,	W. P. Wilson.
Cotton Goods Export Assn.,	New York City,	Dudley Bartlett.
Compton & Knowles Loom Works,	Worcester, Mass.,	Atherton Brownell.
Crown Distilleries,	San Francisco, Cal.,	Robert J. Lewis.
Crucible Steel Co. of Amer.,	Pittsburg, Pa.,	Howard Ayers.
Corning Glass Works,	Corning, N. Y.,	Earle E. Howard.
Cranford Paving Co.,	Washington, D. C.,	I. N. Beatty.
Cutler & Sons, A.,	Buffalo, N. Y.,	B. V. Maxwell.
Daniels, Lorenzo,	New York City,	George B. Hollister.
Darling, Jos. R.,	Washington, D. C.,	J. H. Cranford.
Dartmouth College,	Hanover, N. H.,	Dr. Ernest Fox Nichols.
Daunbil Co.,	New York City,	Frank B. Conger.
Davis Coal & Coke Co.,	Baltimore, Md.,	R. K. Rice.
Davis Mfg. Co.,	New York City,	David S. Hays.
Dayton Motor Car Co.,	Dayton, Ohio,	Gridley Adams.
Deere & Mansur Co.,	Moline, Ill.,	Philip J. Forbes.
De Haven Mfg. Co.,	Brooklyn, N. Y.,	Stephen P. Spitz.
Derby Desk Co.,	Boston, Mass.,	Lafayette Young.
Des Moines Capital,	Des Moines, Iowa,	Clarence W. Marsh.
Development & Funding Co.,	New York City,	A. J. Dietrich.
Dieckmann & Co.,	San Francisco, Cal.,	L. Klopman.
Dietrich Bros.,	Baltimore, Md.,	D. Lindeman.
Dietzgen & Co., Eugene,	New York City,	George E. Long.
Dixon Crucible Co., Jos.,	Jersey City, N. J.,	John H. Donlon.
Dodge, Norman S.,	New York City,	Samuel Lees.
Donlon, John H.,	Philadelphia, Pa.,	M. de Moreira.
Dorrance Co., The,	New York City,	A. T. Sweetser.
Douglas Shoe Co., W. L.,	Brockton, Mass.,	Payson Stone Douglass.
Dun & Co., R. G.,	New York City,	C. A. Green.

Dunn & McCarthy,	Auburn, N. Y.,	F. L. Emerson. C. W. Ross. J. Kearney Rodgers.
Du Pont de Nemours Powder Co., E. I. (Fabrikoid Works),	Wilmington, Del., Newburgh, N. Y.,	
Du Pont de Nemours Powder Co., E. I.,	Wilmington, Del.,	J. K. Rodgers. John W. Matthews. W. S. Gavan. C. B. Landis. J. D. Dort.
Durant Dort Carriage Co.,	Flint, Mich.,	J. D. Massey.
Eagle & Phenix Mills, Eder, Phanor J., Eddy, Thomas A., Edgarton Mfg. Co., The C. A., Edwards Co., O. M.,	Columbus, Ga., New York City, New York City, Shirley, Mass., Syracuse, N. Y.,	Almer H. Allen. C. F. Edgarton. Thomas H. Bright. W. A. Le Brun. W. Ludeke. Burnet L. Clark. William R. Shannon. Francisco A. Godoy. Alberto M. Carreño. Reginald Gorham. E. L. Reynolds. C. W. Woodward. L. G. Julian.
Eggers, August, "El Comercio,"	New York City, New York City,	
"El Diaorio," "El Imparcial," Electro Dental Mfg. Co., Electric Storage Battery Co.,	Mexico City, Mex., Mexico City, Mex., Philadelphia, Pa., Philadelphia, Pa.,	Frank B. Conger. C. P. Remore. Charles E. Montague. C. W. Aslum. E. D. Bedwell. M. S. Erlanger. Frank A. Cashin.
Elliott-Fisher Co., Elwell, James L., Emerich & Co., Chas., Engelberg Huller Co., The,	Harrisburg, Pa., New York City, Chicago, Ill., Syracuse, N. Y.,	T. B. Wiborg. Jas. L. Ewell. Geo. W. Markens. Ralph W. Grout.
Enterprise Mfg. Co. of Pa., Equitable Powder Mfg. Co., Erlanger Bros., Evanston Commercial Club, Excelsior Mining, Milling & Electric Co., Export American Industries, Export Corporation, Exporters & Importers' Jour., Ewing Fox & Co., M.,	Philadelphia, Pa., Fort Smith, Ark., New York City, Evanston, Wyo., Denver, Colo., New York City, New York City, New York City, New York City,	Clarence C. Fleming. C. H. Graff. A. B. Farquhar. Chas. H. Seiz. Louis S. Curt. E. Feige. W. P. Street. Crispin Oglebay.
Faber, Eberhardt, Fairbanks Co., Farquhar, Ltd., A. B., Farquhar Co., A. B., Faultless Rubber Co., Federal Electric Co., Feige Desk Co., The, Ferro Machine & Foundry Co., The, Ferdinand & Co., T. W., Finck & Co., W. M., First National Bank, Fishel, W. R., Fitz-Hugh Luther Co., Flagg Co., Stanley G., Flint Varnish Works, Flint & Walling Mfg. Co., Foreign Trade Assn., "Foreign Trade," French & Co., Sam. H., Friberg, P. A., Friedenberg, Chas., Furlong, Chas. W.,	New York City, New York City, New York City, York, Pa., Ashland, Ohio, Chicago, Ill., Saginaw, Mich., Cleveland, Ohio, Boston, Mass., Detroit, Mich., New York City, Hope, Ind., New York City, Philadelphia, Pa., Flint, Mich., Kendallville, Ind., St. Louis, Mo., New York City, Philadelphia, Pa., Worcester, Mass., New York City, New York City,	James L. Lee. F. H. McKnight. Jos. T. Scheacks. Stanley G. Flagg, Jr. J. D. Dort. R. W. Geauque. Hon. Richard Bartholdt. M. de Moreira, Editor. R. W. Hilles.

Gandy Belting Co.,	Baltimore, Md.,	Wm. Kennedy Cromwell. Chas. H. Dankemeyer. Thomas McIlroy, Jr.
Gardner Governor Co., The,	Quincy, Ill.,	
Gauntlett, Fred J.,	Washington, D. C.,	
General Electric Co.,	Schenectady, N. Y.,	M. L. Mora.
General Fire Extn. Co.,	Providence, R. I.,	
General Fireproofing Co.,	Youngstown, Ohio,	P. R. Clark.
General Elec. Inspection Co.,	New York City,	H. L. Hardy.
General Railroad Signal Co.,	Rochester, N. Y.,	H. M. Sperry.
General Roofing Mfg. Co.,	York, Pa.,	R. J. Redrick.
Georgetown Law School,	Washington, D. C.,	John C. Foin.
Gerhard & Co., Paul F.,	New York City,	Paul F. Gerhard.
Ginn & Co.,	New York City,	Geo. A. Plimpton.
		Thos. B. Lawler.
Glacken, R. M.,	Baltimore, Md.,	
Glidden Varnish Co.,	Cleveland, Ohio,	J. P. Glidden.
Goetz, A. D.,	Charlestown, W. Va.,	Geo. B. Goetz.
Gold Medal Camp Furniture	Racine, Wis.,	W. G. Gittings.
Mfg. Co.,		
Goodel Co.,	New York City,	
Goulds Mfg. Co., The,	Seneca Falls, N. Y.,	Wm. E. Dickey.
Grabowski Power Wagon Co.,	Detroit, Mich.,	Bernard Ginsburg.
Grace & Co., W. R.,	New York City,	Morris Bouvier.
		John F. Fowler.
		J. Louis Schaefer.
		W. D. Batting.
Graham & Co., John H.,	New York City,	
Grandpierre, Chas.,	Princeton, N. J.,	
Green, A. Metz,	New York City,	
Green Fuel Economizer Co.,	Mattewan, N. Y.,	A. Blackburn.
The,		
Greenbaum, S.,	New York City,	
Greenduck Co., The,	Chicago, Ill.,	
Greist Mfg. Co., The,	New Haven, Conn.,	W. C. Greist.
Grinnell, Willis & Co.,	New York City,	Walter S. Poor.
Grosvenor-Dale Co.,	Providence, R. I.,	Wm. T. West.
Guayaquil & Quito Railway,	New York City,	
Gude, William F.,	Washington, D. C.,	
Gulick Henderson Co.,	Pittsburg, Pa.,	Henry Gulick.
Gumpert & Co., S.,	Brooklyn, N. Y.,	S. Gumpert.
Hagy Wast Works, The J.	Philadelphia, Pa.,	Ralph L. Hays.
Milton,		
Hains Concrete Mixer Co.,	Washington, D. C.,	Peter C. Hains.
Hale Co.,	New York City,	Wm. F. Smith.
Hall Yarn & Waste Co.,	Chicago, Ill.,	Jas. Foyer.
	Philadelphia, Pa.,	John W. Harmer.
	Pittsburg, Pa.,	J. E. Morgan.
Harbison - Walker Refracto-		
ries Co.,		
Hardinge Bros.,	Chicago, Ill.,	A. C. Rowe & Son.
Harlan & Hollingsworth Cor-	Wilmington, Del.,	Saml. K. Smith.
poration,		
Harper, George,	New York City,	
Harper's Magazine,	New York City,	Charles Furlong.
Harris, H. W.,	Alliance, Ohio,	U. S. Consul Gen. at Large.
Harris, T. H.,	Havana, Cuba,	
Harrington & Richardson	Worcester, Mass.,	
Arms Co.,		
Harry Bros. Co.,	New Orleans, La.,	W. W. Chandler.
		H. L. Harry.
		J. S. Cave.
		F. Behr.
		F. B. Clark.
		H. A. Cushing.
Hartley Co., M.,	New York City,	

Haws von Gal, Inc.,	New York City,	Otto Kafka.
Hays, David S.,	New York City,	
Heinz Co., The H. J.,	Pittsburg, Pa.,	L. S. Dow.
Hench, Dromgold & Co.,	New York City,	Francis J. Lowe.
Hepmann & Co.,	New York City,	S. E. Hepmann.
Henry, Philip W.,	New York City,	
Heymann & Co., S. E.,	New York City,	Seymour E. Heymann.
Heywood Bros. & Wakefield,	New York City,	Spencer Swain.
Hoen & Co., S.,	Baltimore, Md.,	A. B. Hoen.
Hungerford Bros. & Co.,	New York City,	C. G. Hungerford.
Hoffman, Rothschild & Co.,	San Francisco, Cal.,	E. F. Rothschild.
		Chas. Hoffman.
		E. K. Hyde.
		A. H. Keleher.
Holophane Glass Co.,	New York City,	
Holland Gold Pen Co., The	Cincinnati, Ohio,	
John,		
Holt & Co.,	New York City,	Philetus H. Holt.
Hooker Electro Chem. Co.,	New York City,	Clarence W. Marsh.
The,		J. C. Jessup.
Hooper & Sons Co., W. E.,	Baltimore, Md.,	Wm. E. Hooper.
Hoover-Owens-Rentschler	Hamilton, Ohio,	J. C. Hoover.
Co.,		W. B. Mayo.
Horlick's Malted Milk Co.,	Racine, Wis.,	Ralph W. Ashcroft.
Horwood & Co., E. H.,	New York City,	E. H. Horwood.
Howard Clock Co., The E.,	Boston, Mass.,	E. S. Bigelow.
		W. R. Cadmus.
		T. J. Meaney.
		T. E. Hayes.
		J. Frank Dunham.
		Edward W. De Knight.
Howell Hichman Co.,	Middletown, N. Y.,	
Hughes & Co.,	New York City,	
Huntley Mfg. Co.,	Silver Creek, N. Y.,	
Hydrex Felt & Eng. Co.,	New York City,	
Ideal Concrete Machine Co.,	So. Bend, Ind.,	S. B. Cerefet.
Illinois Mfrs.' Assn.,	Chicago, Ill.,	John M. Glenn.
Illinois Steel Co.,	Chicago, Ill.,	
Imperial Wheel Co., The,	Flint, Mich.,	J. D. Dort.
Inca Co., The,	New York City,	Geo. E. Fox.
Ingersoll & Bros., Robt. H.,	New York City,	
Ingersoll-Rand Co.,	New York City,	Herbert T. Abrams.
International Agric. Cor.,	New York City,	William N. Shaw.
International Brewers' Con-	Chicago, Ill.,	H. E. O. Heinemann.
gress,		
International Button Co.,	Rochester, N. Y.,	M. B. Shantz.
International Cotton Mills	New York City,	C. Howard Metz.
Corporation,		
International Elec. Welding	New York City,	Guy Osburn.
Co.,		
International Paper Co.,	New York City,	Louis Chable.
		Carter W. Lyman.
International Silver Co.,	Buenos Aires, Argen.,	Charles A. Pope.
International Steam Pump	New York City,	D. J. Gibson.
Co.,		
Interior Hardwood Co.,	Indianapolis, Ind.,	Chas. H. Comstock.
Interstate Cotton Seed	Columbia, S. C.,	T. S. Young.
Crushers' Assn.,		
Jardine, Kent & Hill,	New York City,	
Joannini, Frank L.,	Washington, D. C.,	
Johnson, Willis Fletcher,	New York City,	Robt. Geddis.
Jones & Laughlin Steel Co.,	Pittsburg, Pa.,	Geo. A. Mason.
		Jose Marcal.
		Abreu Vasco.
"Jornal do Brazil,"	Rio de Janeiro, Brazil,	
"Jornal do Commercio,"	New York City,	

Keeley, James Hughes, Kell, John F., Kellogg Switchboard & Sup- ply Co., Ketterlinus Litho. Mfg. Co., Keystone Coal & Coke Co., Keystone Watch Case Co., Kilbourne & Jacobs Co., Kimball Co., A.,	Richmond, Va., York, Pa., Chicago, Ill., Philadelphia, Pa., Baltimore, Md., Philadelphia, Pa., Columbus, Ohio, New York City,	Col. Willis Bruce Dowd. J. C. Murray. Francis A. Schneider. J. F. Eisler. W. J. Porter. Melville A. Marsh. Oscar Warner. Geo. Cochran Broome.
Knickerbocker Typewriter Exp. Co., Kohler & Campbell Co., Knothe Bros., Knowles, Taylor & Knowles Co., Kuhn, Loeb & Co.,	Brooklyn, N. Y., New York City, New York City, E. Liverpool, Ohio, New York City,	Otto Kafka. Edwin M. Knowles. Frank McKnight.
La Central Lumber Co., La Hacienda Co., Lambert Pharmacal Co., Lampert & Holt S. S. Line, Landenberger Mfg. Co., Landis, C. B., "La Razon," Latin American Develop. Co., Latin American Export Co., Latin American & Foreign Trade Assn., Latin American Club, Lawyers' Club, Lawyers' International Cor- respondence Co., Lay, Tracy, League of Peace, Leaycraft Trading Co., Lehigh Mfg. Co., Lehigh Portland Cement Co., Leiber Co., H., "Leslie's," Lewis Mfg. Co., A. F., Lindsay, Forbes, Link Belt Co., Liquid Carbonic Co., The, Livingstone, Colin H., Lloyd Braziliario S. S. Co.,	Clarks, La., Buffalo, N. Y., St. Louis, Mo., New York City, Philadelphia, Pa., Delphi, Ind., Buenos Aires, Argen., New York City, New York City, St. Louis, Mo., St. Louis, Mo., Washington, D. C., New York City, Birmingham, Ala., New York City, New York City, Philadelphia, Pa., Allentown, Pa., Indianapolis, Ind., Washington, D. C., E. Boston, Mass., Philadelphia, Pa., New York City, New York City, Washington, D. C., New York City,	John B. White. Alv. Bayard. Clarence G. Stone. Lorenzo Daniels. Oscar H. Landenberger. J. P. Santamarina. Edward F. Kellie. Frank A. Branda. Dillwynn M. Hazlett. Edward A. Faust. Hon. Richard Bartholdt. Walter S. Penfield. Willis Bruce Dowd. John E. Kell. Wm. C. McDowell, LL.D. Capt. H. A. Reninger. Harry Schowe. Robt. D. Heirl. Albert F. Lewis. H. J. Kiely. H. L. Lichtenberg. E. S. Hunter. J. A. Little. Chas. F. Wallaston. Otto Kafka. W. S. M. Mead. Jay C. Freeman. Vincent E. Healy.
Lobdill Car Wheel Co., Lord & Taylor, Lowe, Francis J., Lozier Motor Co., Lyon & Healy,	Wilmington, Del., New York City, New York City, New York City, Chicago, Ill.,	
Maddaugh, Shannon Co., Inc., Mallory S. S. Co., Mandell & Co., Manhattan Rubber Mfg. Co., The, Manning, Isaac A., Manning, Wm. Ed., Manufacturers' Association,	Washington, D. C., New York City, New York City, Passaic, N. J., La Guaira, Venezuela, New York City, Fitchburg, Mass.,	Wm. E. Shannon. Edward F. Clements. K. Mandell. Miss A. Nicoll. U. S. Consul. Charles F. Wilson.

Manufacturers' Association,	York, Pa.,	Robert G. Ault. James H. Findley. Robt. E. Gephart. H. F. Temple. F. B. Wiborg. W. S. Barnes.
Manufacturers' Association, Manufacturers' Club, Marine Iron Works, Market World, The, Marion Steam Shovel Co., Marquardt & Co., H.,	Chattanooga, Tenn., Cincinnati, Ohio, Chicago, Ill., New York City, Marion, Ohio, New York City,	C. J. Schramme. — — Hans Triest. Wm. A. Ingersoll.
Marsh, Richard Ogelsby, Marshall, Edward, Martin, Jr., Mahlon C., Marvel, Josiah, Maryland Steel Co., Matthews, Northrup Works, Mattings, Thomas B., McConway & Torley Co., The, McCreary, James B., McKnight, F. H., Meihle Printing Press Mfg. Co., Mengel & Bro. Co., C. C., Merchant Line (W. R. Grace & Co.), Merchants & Mfrs.' Assn.,	Washington, D. C., Washington, D. C., Glen Ridge, N. J., Wilmington, Del., Baltimore, Md., Buffalo, N. Y., Birmingham, Ala., Pittsburg, Pa., Richmond, Ky., New York City, Chicago, Ill., Louisville, Ky., New York City, Baltimore, Md.,	F. W. Wood. Wm. P. Northrup. J. H. Milliken. Arthur Bently. Sigmund Krausz. J. C. Wickliffe. B. N. Baker. Frank G. Bailey. Harry D. Bush. David H. Carroll. A. H. Colmary. Douglass Foster. E. Edmunds Foster. Newton Foster. W. E. Hooper. Wm. H. Matthai. W. Champ Robinson. H. M. Thompson. James R. Thompson. B. M. Watts. R. Lancaster Williams. S. C. Mead. Jose M. Menendez. Wm. F. Grant.
Merchants' Assn. of N. Y.,	New York City,	Jas. J. Elwell.
Merchants' Invest. Co., The, Merchants & Mfrs.' Mercan- tile Agency, Merchants' Marine Commit- tee of One Hundred, Mercantile Agency, Mergenthaler Linotype Co., Merriam, G. & C., Merrimac Valley Interests, Mexican Nat'l Railway Lines,	Jersey City, N. J., New York City, New York City, Buenos Aires, Argen., New York City, Springfield, Mass., Haverhill, Mass., New York City,	Francis B. Purdie. Norman Dodge. H. W. Baker. Geo. Ward Cook. W. C. Carson. Mr. Silvernail. J. Langdon Erving. R. Lancaster Williams. Geo. I. King. Geo. Nichols. Benj. A. Franklin.
Mexican Telephone Co., Middendorf, Williams & Co., Middleton Car Co., Minot, Hooper Co., Mittineague Paper Co., Monangah Glass Co., Montgomery Ward & Co., Moore, Hon. Edw. B., Morea, Montemayor & Co.,	New York City, Baltimore, Md., Middleton, Pa., New York City, Mittineague, Mass., Fairmont, W. Va., Chicago, Ill., Washington, D. C., New York City,	W. D. Howell. Chas. H. Bonean.

Morgan, J. P. & Co.,	New York City,	F. H. McKnight.
Morris Machine Works,	New York City,	C. A. Hungerford.
Mosler Safe Co.,	New York City,	David H. Bellamore.
Mueller Mfg. Co., H.,	New York City,	C. T. Ford.
Mulford Co., H. K.,	Philadelphia, Pa.,	Irving Brandt Wellcome.
Municipal Eng. & Con. Co.,	Chicago, Ill.,	N. C. Austin.
Nagel, Hon. Charles,	Washington, D. C.,	
National Association of Cotton Mfrs.,	Boston, Mass.,	Wm. E. Hooper.
National Assn. of Mfrs.,	New York City,	Wm. M. Benney.
National Assn. of Implements & Vehicles,	Auburn, N. J.,	J. C. Elwell.
National Assn. of Piano Dealers in America,		A. B. Farquhar.
National Blank Book Co.,	Washington, D. C.,	O. J. DeMoll.
National Board of Trade,	Holyoke, Mass.,	George A. Savoy.
National Board of Trade,	Washington, D. C.,	A. T. Anderson.
National Business League,	Philadelphia, Pa.,	Frank D. LaLanne.
National Candy Co.,	Chicago, Ill.,	Austin A. Burham.
National Cash Register Co.,	St. Louis, Mo.,	
	Dayton, Ohio,	John H. Patterson.
		Edw. A. Deeds.
National City Bank of N. Y.,	New York City,	F. H. McKnight.
National Cotton Mfrs.' Assn.,	Charlotte, N. C.,	
National Electric Lamp Assn.,	Cleveland, Ohio,	A. J. Hitzker.
National Kelastone Roofing Co.,	New York City,	Edw. F. Kellie.
		C. C. Bauer.
National Malleable Castings Co.,	Cleveland, Ohio,	R. H. Pilson.
National Metal Trades Assn.,	Worcester, Mass.,	Saml. L. Smith.
National Meter Co.,	New York City,	Donald Tulloch.
		John C. Kelley, Jr.
National Rys. of Mexico,	New York City,	John Norris.
National Municipal League,	Philadelphia, Pa.,	W. C. Carson.
National Paint, Oil & Varnish Assn.,		Clinton Rogers Woodruff.
National Paper & Type Co.,	New York City,	F. S. Chessman.
National Tariff Com. Assn.,	New York City,	Harrison C. Lewis.
National Sewing Machine Co.,	New York City,	Henry T. Wills.
		E. L. Green.
		Geo. H. Hakes.
National Wagon Manufacturers' Assn.,	Chicago, Ill.,	A. B. Farquhar.
Ness & Co., Charles M.,	Baltimore, Md.,	Chas. M. Ness.
New England Fibre Blanket Co.,	Worcester, Mass.,	Theo. T. Ellis.
New England Shoe & Leather Assn.,	Boston, Mass.,	Arthur Butman.
		Harry I. Thayer.
New England Trade Development Co.,		
Newell, F. H.,	Bridgeport, Conn.,	W. S. Boate.
Newport News Shipping & Dry Dock Co.,	Washington, D. C.,	
N. Y. & Cuba Mail S. S. Co.,	Newport News, Va.,	Fred J. Gauntlett.
N. Y. Journal of Commerce,	New York City,	Marcos J. Trazivuk.
N. Y. Shipbuilding Co.,	New York City,	H. Park Willis.
Nitrate Propaganda of Chile,	Camden, N. J.,	
	New York City,	Wm. S. Myers, Director.
		Chas. J. Dyer.
Nichols, William S.,	New York City,	
Niles-Bement-Pond Co.,	New York City,	M. McA. Smith.
North American Press Syn.,	Grand Rapids, Mich.,	C. N. Mather.
Notley, J. M.,	New York City,	Jas. N. Notley.
Norton & Sons S. S. Co.,	New York City,	Joseph S. Lilly.

Ohio Brass Co.,	Mansfield, Ohio,	E. F. Wickwire.
Ohio Hardware Assn.,	Mansfield, Ohio,	Frank A. Bare.
Ohio Suspender Co.,	Mansfield, Ohio,	D. L. Zahniser.
Ohio Valley Pulley Works,	Maysville, Ky.,	George J. Lowe.
Oliva, Julian,	New York City,	
Oliver Iron & Steel Co., The,	Pittsburg, Pa.,	Henry L. Lupton.
Orarie, J. F.,	Worcester, Mass.,	
Ostby & Barton Co.,	Providence, R. I.,	Erling C. Ostby.
		Harold W. Ostby.
Oregon & Washington Lum- ber Mfrs.' Assn.,	Portland, Ore.,	Russell Hawkins.
Otis Elevator Co.,	New York City,	W. N. Dickinson.
Paff, Hon. F. J. (Mayor),	Alexandria, Va.,	
Page Woven Wire Fence Co.,		
The,	Adrian, Mich.,	C. M. Lamb.
Pan American R. R.,	New York City,	W. D. H. Washington.
		J. J. McKelvey.
Panama R. R. S. S. Line,	New York City,	
Parsons Trading Co.,	New York City,	Marsh Parsons.
Patterson, John H.,	Dayton, Ohio,	
Patton Paint Co.,	Milwaukee, Wis.,	Jas. E. Patton, Jr.
		G. D. White.
Peck & Co., William E.,	New York City,	Daniel Linde.
Peek & Velsor,	New York City,	Jos. A. Velsor.
Peerless Rubber Mfg. Co.,	New York City,	
Penn. Am. Plate Glass Co.,	Pittsburg, Pa.,	W. L. Kann.
Penn Metal Ceiling & Roof- ing Co., The,		
Pennsylvania State College,	Boston, Mass.,	Geo. A. Sagendorph.
Peoria Drill & Seeder Co.,	State College, Pa.,	Edwin A. Cottrell.
Perfectol Co., The,	Peoria, Ill.,	David S. Hays.
Perkins Campbell Co., The,	Philadelphia, Pa.,	Henry Roemer.
Perkins Windmill Co.,	Cincinnati, Ohio,	Frank B. Conger.
"Peru Today,"	Mishawaka, Ind.,	
Pfister & Vogel Leather Co.,	Lima, Peru,	John Vavasour Noel.
	Milwaukee, Wis.,	H. M. Greenwood.
		Fred A. Vogel.
Philadelphia Com. Museum,	Philadelphia, Pa.,	Dr. W. P. Wilson, Director.
		Dudley Bartlett.
Pilling Mfg. Co.,	Philadelphia, Pa.,	A. B. Anderson.
Phoenix and Maricopa Co. Board of Trade,		
Pittsburg Equipment Co.,	Phoenix, Ariz.,	W. C. Barnes.
Pittsburg Meter Co.,	Pittsburg, Pa.,	E. R. Williams.
Pittsburg Steel Foundry Co.,	Pittsburg, Pa.,	T. C. Clifford.
Pittsburg Testing Co.,	Pittsburg, Pa.,	E. R. Williams.
Plume & Atwood Mfg. Co.,	Pittsburg, Pa.,	H. A. Schofield.
Popular Mechanics' Magazine,	Waterbury, Conn.,	Wm. W. Magee.
Port Huron Engine & Thresher Co.,	Chicago, Ill.,	H. H. Windson.
Powers Co., F. E.,		
Pratt & Lambert,	New York City,	David S. Hays.
	Worcester, Mass.,	F. L. Powers.
	Buffalo, N. Y.,	J. H. McMulty.
		Harold D. Webster.
Prentice Bros. Co.,	Worcester, Mass.,	Albert E. Newton.
Prince Steamship Line,	New York City,	Paul F. Gerhard.
Prouty & Co., Isaac, Inc.,	Boston, Mass.,	Lewis I. Prouty.
Progressive Union,	New Orleans, La.,	Walter D. Denegue.
		James W. Porch.
Publicity Bureau,	Atlantic City, N. J.,	Geo. S. Lenhart.
Purdie, Francis B.,	St. Joseph, Mo.,	
Quaker Oats Co.,	Chicago, Ill.,	J. A. Sim.

Randall-Faichney Co., Ransome Concrete Machinery Co., Raposa, Louis, Raymond & Whitcomb Co., Read Machinery Co.,	Boston, Mass., Dunellen, N. J., Philadelphia, Pa., New York City, York, Pa.,	Harry H. Olcott. A. W. Ransome. H. H. Crunden, LL.D. H. Read. D. W. R. Read.
Reading Hardware Co., Red "D" Steamship Line, Reed & Barton, Rees & Sons Co., John, Reinforced Concrete Pipe Co.,	Reading, Pa., New York City, Taunton, Mass., Pittsburg, Pa., Jackson, Mich.,	Fred A. Dallett. R. F. Mackendrich. Thomas M. Rees. Wm. J. Samuels. E. F. Lowery. F. Behr. F. B. Clark. George J. Lowe. Paul R. Mahony. Wm. P. Bigelow. Frank Phalen. Chas. T. Johnson. Geo. A. Gardner.
Remington Arms Co.,	Ilion, N. Y.,	
Remington Oil Engine Co., Remington Typewriter Co., Rennous, Kleinle & Co., Republic Iron & Steel Co.,	Stamford, Conn., New York City, Baltimore, Md., Pittsburg, Pa.,	Caswell A. Mayo. Dr. Luis D. de Medina.
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